

BREACH OF FIDUCIARY DUTY

\$1,896,000 VERDICT

Minority shareholder action – Wrongful takeover of corporate control – Improper rescission of stock sale – Breach of fiduciary duty – Liquidation of corporation.

Miami-Dade County, FL

This complex stockholder litigation has been ongoing for approximately seven years. The plaintiffs, a wine importing company, and its president, brought suit against two other shareholders. The plaintiffs alleged that the defendants improperly attempted to rescind a sale of stock, ousted the plaintiff from the corporation, wrongfully took over corporate control, and liquidated corporation assets.

The individual plaintiff owned 45% of the outstanding stock in the corporation and was its president. One of the defendant shareholders owned 45%, and the third owned 10%. The shareholder with the 10% ownership interest sold her stock, leaving the plaintiff, and remaining shareholder, 50/50 owners of the corporation.

However, the plaintiff alleged that the selling shareholder improperly attempted to rescind her sale, and the defendants (as purported majority stockholders) held a series of meetings to oust the plaintiff as president and take control of the corporation. The court determined, via summary judgment, that the stock sale at issue was valid, and therefore, subsequent shareholder and directors meetings purporting to oust the president were invalid.

Evidence showed that prior to the corporate takeover, the plaintiff had entered a contract to share overhead expenses with another import company. The plaintiff's expert testified that, but for the defendants' actions, the corporation would have made a significant profit. The plaintiff sought approximately \$3,000,000 in damages.

The plaintiff also alleged, in a separate action, that the defendants failed to pay a \$110,000 Bank of America loan, resulting in a judgment against the company, including the individual plaintiff who had guaranteed the loan. Shortly before trial, the plaintiff contends that the defendants acquired the Bank of America judgment, and used it in an attempt to execute on the corporate plaintiff's treasury stock, and once again, take control of the corporation. The individual plaintiff asserts that he was forced to file for bankruptcy to avoid the garnishment.

The jury found wrongful taking of corporate authority and breach of fiduciary duty against the defendants. Total damages of \$1,896,000 were awarded, including \$1,063,000 to the plaintiff corporation, and \$833,000 (\$548,000 in lost wages and commissions, and \$285,000 in personal liability for corporate debt) to the individual plaintiff. Post-trial motions are currently pending. The plaintiff sought a stay of the defendants' attempt to use the Bank of America Judgment to execute on the plaintiff's stock, but the stay was denied. The denial of the stay will be appealed, according to plaintiffs' counsel.

REFERENCE

Taverna Imports, Inc. vs. Laudisio, et al. Case no. 2007-009620C.A01; Judge Sarah I. Zabel, 09-12-14.

Attorney for plaintiff corporation: Eduardo I. Rasco of Rosenthal, Rosenthal, Rasco & Kaplan, LLC, in Aventura, FL. Attorney for plaintiff as individual: Jessica Geller of Geller Law and Mediation in Plantation, FL.

CIVIL RIGHTS

DEFENDANT'S VERDICT

Civil Rights Action – Claimed use of excessive police force – Plaintiff allegedly punched in face and tasered after traffic stop – Contusions – Dental injuries.

Withheld County, FL

The plaintiff, a pro se litigant, alleged under the Federal Civil Rights Act (42 USC Section 1983), that two deputies employed by the Collier County Sheriff's office, used excessive force in punching him in the face and tasering him after a routine traffic stop. The defense maintained that the two defendant officers used appropriate force, after it appeared that the plaintiff was concealing drugs

in his mouth. The plaintiff was a 50-year-old male at the time in question. He claimed that after he was pulled over by the defendant officers for allegedly failing to stop at a stop sign, one of them grabbed his neck, and the other punched him in the face repeatedly. The plaintiff testified that he was then tasered for no legitimate reason. The plaintiff claimed multiple contusions, and that a tooth was knocked loose as a result of the incident.

The defendants argued that the plaintiff was known to one of the defendant officers as a result of prior arrests, and when stopped, the plaintiff appeared to be manipulating something in his mouth, which he refused to spit