

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA
COMPLEX BUSINESS LITIGATION DIVISION

PAUL FATTARUSO,
Plaintiff,

v.

ROCHE FREEDMAN LLP
(f/k/a ROCHE CYRULNIK FREEDMAN LLP),
DEVIN FREEDMAN, AMOS FRIEDLAND,
NATHAN HOLCOMB, EDWARD NORMAND,
and KYLE ROCHE
Defendants.

VERIFIED COMPLAINT

Plaintiff, Paul Fattarusio, for his Verified Complaint against Defendants, Roche Freedman LLP (f/k/a Roche Cyrulnik Freedman LLP) (“RCF”), Devin Freedman, Amos Friedland, Nathan Holcomb, Edward Normand, and Kyle Roche, alleges upon knowledge, information, and belief as follows:

INTRODUCTION

1. This action arises from a law firm partnership’s wrongful exclusion of one of their partners, refusal to honor his rights as an equity partner, failure to pay him the compensation and equity value they owe him, and refusal to provide him with the firm’s books and records. Accordingly, Fattarusio brings this action seeking, among other things, prompt production of the firm’s information, payment of his outstanding unpaid compensation, and payment for the value of his equity interest.

PARTIES

2. Plaintiff, Paul Fattaruso, is a citizen of New York and an equity partner of RCF.

3. Defendant RCF is a Florida limited liability partnership, with offices in Florida and New York.

4. Defendant Devin Freedman is a citizen of Florida and an equity partner of RCF.

5. Defendant Amos Friedland is a citizen of Connecticut and an equity partner of RCF.

6. Defendant Nathan Holcomb is a citizen of New York and an equity partner of RCF.

7. Defendant Edward Normand is a citizen of New York and an equity partner of RCF.

8. Defendant Kyle Roche is a citizen of New York and an equity partner of RCF.

JURISDICTION

9. This is an action for equitable relief and damages.

10. This Court has personal jurisdiction over Defendants because Defendant RCF is a Florida limited liability partnership, registered in Florida and with an office in Florida. The individual Defendants are equity partners of RCF. This dispute arises out of the internal affairs of a Florida limited liability partnership, of

which the individual defendants are equity partners. And Defendant Freedman resides in Miami-Dade County.

11. Venue is proper pursuant to Chapter 47 of the Florida Statutes because RCF is a Florida limited liability partnership that is registered in Florida with an address in Miami-Dade County; its principal place of business is in Miami-Dade County; and defendant Freedman resides in Miami-Dade County.

FACTS

12. At the beginning of 2020, Fattaruso left a successful and prosperous position at a prominent law firm to launch the litigation boutique RCF.

13. Fattaruso had known Defendant Roche for several years, as the two had worked together in the same law office before Roche departed in the summer of 2019, when he was a third-year associate, to start his own two-lawyer (and later three-lawyer) firm together with Freedman, another young lawyer.

14. Fattaruso took confidence in RCF's prospects for success based on the involvement of other, more senior, experienced, and proven attorneys, with strong and stable client bases.

15. Fattaruso was also drawn to RCF based on the attractive terms Defendants offered. Among their other enticements to induce Fattaruso to join RCF, Defendants offered Fattaruso 2% equity in the firm and lucrative compensation formula.

16. Fattaruso accepted Defendants' offer.

17. Fattaruso agreed to enter the RCF partnership, under which the partners would be compensated according to a set formula and the equity partners would share the firm's profits according to their pro rata equity shares.

18. In December 2019, before Fattaruso joined RCF, the firm's other equity partners—Defendants Freedman, Friedland, Holcomb, Normand, and Roche, together with Jason Cyrulnik—had entered a Memorandum of Understanding (MOU).

19. The MOU stated, among other things, that compensation received from certain firm clients would not be shared according to the firm's equity percentages.

20. For example, the MOU purported to divide a cryptocurrency "token" that the firm was accepting instead of cash among Cyrulnik, Freedman, Friedland, Holcomb, Normand, and Roche, in percentages that differed from their equity percentages.

21. Fattaruso was not a party to the MOU.

22. Fattaruso did not receive a copy of the MOU when he joined RCF (or at any time in 2019 or 2020).

23. Fattaruso did not agree to the MOU's terms.

24. Defendants never proposed to Fattaruso that the partnership should share compensation from any firm clients other than as provided by the firm's general compensation formula and according to the firm's equity percentages.

25. Fattaruso never agreed that the partnership would share compensation from any firm clients other than as provided by the firm's general compensation formula and according to the firm's equity percentages.

26. RCF launched in January 2020, with Fattaruso as a partner.

27. Fattaruso capably and diligently performed his duties as partner throughout 2020 and was a major contributor to the firm's financial performance.

28. Throughout 2020, the RCF partnership consistently recognized and treated Fattaruso as an equity partner, including for purposes of tax withholding and benefits, participation in equity partner meetings, and voting on matters that required a vote of the equity partnership.

29. Fattaruso worked extensively with another of the firm's equity partners, Jason Cyrulnik, on a portfolio of legal matters that formed most of the firm's billable work and an even greater proportion of the firm's profit margin.

30. Under the firm's formula compensation structure, Fattaruso was entitled to nearly \$1 million for his work in 2020, separate and apart from any payment on his equity.

31. Fattaruso continued to work diligently with the firm in early 2021.

32. In January and early February of 2021, the cryptocurrency tokens the firm had been accepting as payment from a certain client suddenly skyrocketed in value, up to an estimated \$250 million-plus. Most of that increase occurred in the five days between February 6 and 10, 2021.

33. Under the MOU, Defendants and Cyrulnik had agreed to allocate a substantial percentage of the tokens to Cyrulnik.

34. On February 10, 2021, unbeknownst to Fattaruso, Defendants Roche, Freedman, Friedland, Holcomb, and Normand held a secret meeting at which they voted to remove fellow equity partner Cyrulnik from the firm.

35. At no point in time had anyone discussed with Fattaruso even the possibility of removing Cyrulnik from the firm.

36. On February 12, 2021, Defendants Roche, Freedman, Friedland, Holcomb, and Normand informed Fattaruso of what they had done.

37. Defendants told Fattaruso that they wanted him to stay with RCF and asked Fattaruso to manage the workflow of the firm's continuing work on the many matters Cyrulnik had originated, constituting the bulk of the firm's core client matters.

38. The matters were numerous, complex, and demanding, and required substantial attorney resources.

39. Upon learning what the Defendants had done, all the firm clients Cyrulnik had originated chose to stay with Cyrulnik.

40. In the weeks that followed, Fattaruso worked long and difficult hours to ensure that those clients continued to receive the highest level of legal representation through their transition.

41. On Saturday, February 27, 2021, again unbeknownst to Fattaruso, Defendants filed a federal lawsuit for declaratory judgment against Cyrulnik in the firm's name.

42. On Sunday, February 28, 2021, yet again unbeknownst to Fattaruso, Defendants held an all-firm meeting—excluding Fattaruso—to discuss the lawsuit they had caused the firm to file without full partnership approval.

43. On March 1, 2021, Defendant Roche finally informed Fattaruso that the firm had filed suit against Cyrulnik.

44. Fattaruso immediately expressed concerns about the potential repercussions of doing so.

45. Fattaruso's concerns greatly deepened upon reviewing the federal complaint, which contained deceptive allegations designed to harm Cyrulnik's reputation.

46. Fattaruso could not see any valid reason for the firm to have filed this federal complaint, and he directly told the other partners so.

47. When asked, the other partners could not give Fattaruso any satisfactory explanation for why it was necessary or appropriate to file the deceptive federal complaint.

48. During this time, Defendants urged Fattaruso to remain at the firm, noting among other things that Cyrulnik's removal would cause Fattaruso's equity interest in the firm to increase pro rata along with the other remaining equity partners' interests, and offering various other enticements for Fattaruso not to leave.

49. Fattaruso concluded, however, that it was untenable to remain at the firm given the partnership's conduct.

50. On March 22, 2021, Fattaruso wrote to Defendants Roche, Freedman, Normand, Friedland, and Holcomb to notify them that he was leaving the firm that day.

51. Fattaruso ended his message: "I look forward to working out the details for winding up our partnership relationship, including prompt payment for my outstanding compensation and my equity interest, and am generally available to work cooperatively on logistics etc. as appropriate."

52. No one responded with any dispute or disagreement that Fattaruso was entitled to payment for his outstanding compensation and equity interest.

53. Instead, Defendants ignored and deflected Fattaruso's requests for months.

54. Following repeated efforts by Fattaruso to get Defendants to engage, on June 28, 2021, Defendant Freedman cryptically stated in an email: "You are not owed any equity-related payment." He provided no explanation for that position.

55. Defendants had never before asserted that Fattaruso was not owed any equity-related payment.

56. Fattaruso responded: "Please promptly explain the basis for your contention that I am not owed any equity-related payment."

57. After weeks of no response despite Fattaruso's follow-up, Defendant Freedman finally responded on July 19, 2021, with yet more evasion, stating, "If you

truly believe you are entitled to an equity related payment (you are not), please provide the basis for that belief.”

58. Fattaruso responded on July 27, 2021, that the basis for his position was, of course, his 2% equity interest, and that given Defendants’ protracted refusal to engage, Fattaruso was compelled to demand information regarding the state of the activities and financial condition of the firm for the period of Fattaruso’s partnership, pursuant to Florida statute.

59. On August 6, 2021, in response to Fattaruso’s statutory demand for information, Defendants responded through their lawyer, rejecting Fattaruso’s demand and shockingly asserting, for the first time, that Fattaruso had not actually been an equity partner of the firm at all.

60. In October 2021, Defendants very belatedly issued Fattaruso’s firm tax forms for 2020. In an effort to justify withholding payment on his equity, Defendants had decided to retroactively re-classify Fattaruso as a supposed independent contractor with a Form 1099, misrepresenting Fattaruso’s status to the tax authorities.

61. In addition to refusing to honor Fattaruso’s equity rights, Defendants continue to withhold Fattaruso’s unpaid compensation for 2020 and 2021.

62. In response to Fattaruso’s repeated requests for information about his unpaid compensation, Defendants have vaguely implied that the firm still has not collected on invoices related to Fattaruso’s work. But following Fattaruso’s direct question on January 13, 2022—“Are you representing that the firm has not obtained

any payment in connection with any of the matters on which I still have not received proper compensation for my work?”—Defendants have refused to respond to this day.

63. Fattaruso is left with no other option but to file this suit to hold his partners to the duties and obligations they refuse to honor.

64. All conditions precedent to the bringing of this action have occurred or been waived.

COUNT 1
Buyout (Florida Statutes § 620.8701)

65. Fattaruso repeats and realleges the allegations above.

66. RCF is a limited liability partnership, as defined under Florida law.

67. Fattaruso is a 2% equity partner of the firm and entitled to a buyout pursuant to Florida Statutes § 620.8701.

68. Fattaruso is entitled to recover reasonable attorney’s fees and the fees and expenses of appraisers or other experts.

69. WHEREFORE, Fattaruso respectfully requests that the Court determine and enter judgment awarding Fattaruso the value of his interest in RCF, pursuant to Florida Status § 620.8701, together with accrued interest, costs and reasonable attorney’s fees, and such other relief in law or equity as the Court finds just and proper.

COUNT 2
Accounting (Florida Statutes § 620.8403)

70. Fattaruso repeats and realleges the allegations above.

71. Defendants have refused to provide Fattaruso access to the firm's books and records, have failed to account for the firm's revenues and expenses, and have otherwise wrongfully denied Fattaruso access to information relevant to his partnership rights and interests.

72. WHEREFORE, Fattaruso respectfully requests that the Court enter judgment requiring Defendants to account to Fattaruso for the income, expenses, assets, and liabilities of RCF from inception through the present; find and determine the amount due to Fattaruso from RCF; and enter a judgment or decree in favor of Fattaruso for his compensatory damages, prejudgment interest, costs, and such further relief as the Court deems just and proper.

COUNT 3

Demand for Books and Records (Florida Statutes § 620.1407)

73. Fattaruso repeats and realleges the allegations above.

74. Fattaruso is a partner of RCF.

75. Fattaruso has demanded records maintained by RCF regarding its activities and financial condition, consistent with Florida Statutes Section 620.1407.

76. The information Fattaruso seeks pertains to the period of his partnership, and he seeks the information in good faith for purposes of calculating his unpaid compensation and the value of his equity rights.

77. RCF has wrongfully refused to provide Fattaruso with any information regarding RCF's activities and financial condition.

78. WHEREFORE, Fattaruso respectfully requests that the Court enter judgment requiring Defendants to provide Fattaruso with access to the information

and records regarding RCF's activities and financial condition and granting such further relief as the Court deems just and proper.

COUNT 4
Breach of Contract

79. Fattaruso repeats and realleges the allegations above.

80. Defendants Freedman, Friedland, Holcomb, Normand, and Roche entered a valid and binding agreement with Fattaruso, under which Fattaruso agreed to join the limited liability partnership of RCF and devote his professional time and energy to the partnership's business in exchange for a 2% equity interest, compensation pursuant to a set formula, and other benefits. The parties' agreement included an implied covenant of good faith and fair dealing.

81. Fattaruso fully performed and was ready, willing, and able to continue to perform his obligations under the parties' agreement.

82. Defendants Freedman, Friedland, Holcomb, Normand, and Roche breached their obligations under the agreement, including by refusing to honor Fattaruso's equity interest and by causing the partnership not to pay Fattaruso hundreds of thousands of dollars of formula compensation.

83. Defendants Freedman, Friedland, Holcomb, Normand, and Roche further breached their obligations, including their covenant of good faith and fair dealing, by making Fattaruso's continued participation in the partnership untenable. They made drastic decisions to remove and sue fellow equity partner Cyrulnik, purportedly on behalf of the partnership, without consulting or even notifying Fattaruso until after the fact. Those decisions together with Defendants' other acts

marginalizing Fattaruso made it impracticable for him to continue with the partnership, harming Fattaruso's financial interests and livelihood.

84. WHEREFORE, Fattaruso respectfully requests that the Court enter judgment against Defendants Freedman, Friedland, Holcomb, Normand, and Roche, jointly and severally, and award Fattaruso damages in an amount to be determined at trial, including the value of his equity interest in the firm (including his equity interest in the cryptocurrency tokens) and unpaid compensation, as well as interest, costs, and attorney's fees, and such other and further relief that the Court deems just and proper. Fattaruso will seek leave at the appropriate time to claim punitive damages pursuant to Florida Statutes § 768.72(1).

COUNT 5
Promissory Estoppel

85. Fattaruso repeats and realleges the allegations above.

86. Defendants Freedman, Friedland, Holcomb, Normand, and Roche promised Fattaruso a 2% equity interest in RCF and payment of substantial compensation for his work pursuant to a set formula.

87. By making these promises, they reasonably expected Fattaruso to leave his successful and prosperous position at a prominent law firm to launch RCF and devote his professional time and energy to the partnership's business.

88. Defendants' promises did, in fact, induce Fattaruso to leave his position and launch the firm as Defendants' partner.

89. Injustice can be avoided only by enforcement of Defendants' promises.

90. WHEREFORE, Fattaruso respectfully requests that the Court enter judgment against Defendants Freedman, Friedland, Holcomb, Normand, and Roche, jointly and severally, and award Fattaruso damages in an amount to be determined at trial, including the value of his equity interest in the firm (including his equity interest in the cryptocurrency tokens) and unpaid compensation, as well as interest, costs, and attorney's fees, and such other and further relief that the Court deems just and proper. Fattaruso will seek leave at the appropriate time to claim punitive damages pursuant to Florida Statutes § 768.72(1).

COUNT 6
Breach of Fiduciary Duty

91. Fattaruso repeats and realleges the allegations above.

92. As partners in a professional service limited liability partnership, Defendants Freedman, Friedland, Holcomb, Normand, and Roche at all relevant times owed, and still owe, fiduciary duties to Fattaruso, including the duties of care and loyalty.

93. Defendants breached their fiduciaries duties to Fattaruso by, among other things, (i) withholding material information from Fattaruso about the firm, its plans, and its finances; (ii) excluding Fattaruso from material decisions about the firm; (iii) putting their personal interests—including their interest in cryptocurrency tokens—ahead of the interests of the partnership and ahead of Fattaruso's partnership interests in particular; (iv) marginalizing and isolating Fattaruso, including by excluding him from whole-firm meetings; (v) denying Fattaruso's equity interest in the firm.

94. WHEREFORE, Fattaruso respectfully requests that the Court enter judgment against Defendants Freedman, Friedland, Holcomb, Normand, and Roche, jointly and severally, and award Fattaruso damages in an amount to be determined at trial, including the value of his equity interest in the firm (including his equity interest in the cryptocurrency tokens) and unpaid compensation, as well as interest, costs, and attorney's fees, and such other and further relief that the Court deems just and proper. Fattaruso will seek leave at the appropriate time to claim punitive damages pursuant to Florida Statutes § 768.72(1).

COUNT 7
Conversion

95. Fattaruso repeats and realleges the allegations above.

96. Defendants Freedman, Friedland, Holcomb, Normand, and Roche knowingly and intentionally converted Fattaruso's specific and identifiable equity interest in RCF and its assets. That equity interest belongs solely to Fattaruso, and Defendants converted that interest without Fattaruso's consent and without compensation to Fattaruso.

97. Defendants, without authority, deprived Fattaruso of his equity interest for their own use.

98. Defendants' deprivation of Fattaruso's equity interest is adverse and inconsistent with Fattaruso's rights and ownership interest in RCF.

99. Defendants have refused Fattaruso's demand that they compensate him for his equity interest, and at this point, demand and refusal are unnecessary because they would be futile.

100. As a direct and proximate result of Defendants' conversion, Fattaruso has suffered damages.

101. WHEREFORE, Fattaruso respectfully requests that the Court enter judgment against Defendants Freedman, Friedland, Holcomb, Normand, and Roche, jointly and severally, and award Fattaruso damages in an amount to be determined at trial, including the value of his equity interest in the firm (including his equity interest in the cryptocurrency tokens) and unpaid compensation, as well as interest, costs, and attorney's fees, and such other and further relief that the Court deems just and proper. Fattaruso will seek leave at the appropriate time to claim punitive damages pursuant to Florida Statutes § 768.72(1).

COUNT 8
Civil Conspiracy

102. Fattaruso repeats and realleges the allegations above.

103. Defendants Freedman, Friedland, Holcomb, Normand, and Roche are parties to a civil conspiracy.

104. Defendants conspired to commit unlawful acts by unlawful means, including (i) withholding material information from Fattaruso about the firm, its plans, and its finances; (ii) excluding Fattaruso from material decisions about the firm; (iii) putting their personal interests—including their interest in cryptocurrency tokens—ahead of the interests of the partnership and ahead of Fattaruso's partnership interests in particular; (iv) marginalizing and isolating Fattaruso, including by excluding him from whole-firm meetings; (v) denying Fattaruso's equity interest in the firm. These acts constitute breach of fiduciary duty and conversion.

105. Each of the Defendants committed an overt act in furtherance of their conspiracy, including to exclude Fattaruso from their vote to remove Cyrulnik as a firm partner and their decision to sue Cyrulnik in federal court and, on information and belief, their votes to deny Fattaruso's equity interest in the firm and to misstate and mischaracterize Fattaruso's role with the firm as that of an independent contractor in the firm's representations to state and federal tax authorities.

106. As a direct and proximate result of Defendants' civil conspiracy, Fattaruso has suffered damages.

107. WHEREFORE, Fattaruso respectfully requests that the Court enter judgment against Defendants Freedman, Friedland, Holcomb, Normand, and Roche, jointly and severally, and award Fattaruso damages in an amount to be determined at trial, including the value of his equity interest in the firm (including his equity interest in the cryptocurrency tokens) and unpaid compensation, as well as interest, costs, and attorney's fees, and such other and further relief that the Court deems just and proper. Fattaruso will seek leave at the appropriate time to claim punitive damages pursuant to Florida Statutes § 768.72(1).

REQUEST FOR RELIEF

WHEREFORE, Fattaruso respectfully requests judgment against Defendants:

- a. Awarding Fattaruso the value of his interest in RCF, pursuant to Florida Statutes § 620.8701
- b. Requiring Defendants to account to Fattaruso for the income, expenses, assets, and liabilities of RCF from inception through present, as well as the amount due to Fattaruso

- c. Requiring Defendants to provide access to the information and records regarding RCF's activities and financial condition
- d. Against Defendants Freedman, Friedland, Holcomb, Normand, and Roche, jointly and severally, awarding Fattaruso damages in an amount to be determined at trial, including the value of his equity interest in the firm (including his equity interest in the cryptocurrency tokens) and unpaid compensation
- e. Awarding pre-judgment and post-judgment interest at the maximum possible rate
- f. Awarding Fattaruso's costs in the prosecution of this action, including reasonable attorney's fees
- g. Awarding such other and further relief as is just and proper.

Dated: March 22, 2021

Respectfully submitted,

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Counsel for Plaintiff, Paul Fattaruso

VERIFICATION

I, Paul Fattaruso, have personal knowledge of the facts set forth herein, and if called upon to testify, I would competently testify as to the matters stated herein. I verify under penalty of perjury under the laws of the State of Florida that the factual statements in this Verified Complaint are true and correct.



Paul Fattaruso



Sworn to before me this
22nd day of March, 2022



Notary Public

