

Florida Attorneys | Deep, Credible FL Content
Powerful Analytics | 24/7 Support

News (/dailybusinessreview/news/)

Miami Jury Hits Defense With \$5.4M Verdict After String of No-Shows

By **Raychel Lean** (/author/profile/Raychel-Lean/) | February 20, 2019 at 03:01 PM

f in t e (t)



A Miami-Dade jury found that Freeman Hammond LLC and its CEO Chad M. Freeman had broken a noncompete agreement by stealing trade secrets. Photo: wavebreakmedia/Shutterstock.com.

When a Miami-Dade jury awarded \$5.4 million in damages to a Broward liquidation company Feb. 5, Fort Lauderdale defense attorney **Sean P. Sheppard** (<http://sheppardfirm.com/>) wasn't there. He'd skipped the trial and two mediation sessions at the request of his client, Chad M. Freeman, who said he couldn't afford to defend himself and his South Carolina company Freeman Hammond LLC.

To make matters worse, the judge ordered Freeman's company to pay \$4.1 million, for a final judgment of nearly \$10 million.



SEARCH 200,000
VERDICTS &
SETTLEMENTS

WIN YOUR CASE

BOOK A FREE TRIAL

VerdictSearch

The case stems from a suit by the Recon Group, which refurbishes various goods to resell in bulk, against former employee Freeman in July 2015. He'd been fired and allegedly left with the company's client list, according to the suit, using it to start his own venture despite having signed a noncompete agreement.

It took about a week for The Recon Group's longtime clients to notice, according to outside general counsel **Mikhael E. Keifitz** (<https://www.meklegal.com/about-us>) in North Miami Beach. They called in, alleging someone else had got in touch, badmouthed the company and tried to sell them the same merchandise.



SuperConference 19TH ANNUAL
a CORPORATE COUNSEL Event

The Premier Forum For Informing,
Advancing and Inspiring Today's General Counsel

May 21-22, 2019
Swissotel Chicago | Chicago, IL

REGISTER TODAY

Cue trial lawyers **Michael Sayre** (<http://waldmanbarnett.com/team/michael-a-sayre/>) and **Glen H. Waldman** (<http://waldmanbarnett.com/team/glen-waldman/>) of Waldman Barnett in Miami, who Keifitz drafted in to help with the lawsuit alleging breach of contract, trade secret theft, unfair competition and defamation.

[Click here to read the complaint](#)

<https://drive.google.com/file/d/1zphiQqY6cLilcy1PNRI7fgNCGbW9ygsc/view?usp=sharing>

The defense denied all claims and **[moved to dismiss the case](https://drive.google.com/file/d/1DNDCdYjX3djoj_-QOVOD8LLLQC2q5al1/view?usp=sharing)** (https://drive.google.com/file/d/1DNDCdYjX3djoj_-QOVOD8LLLQC2q5al1/view?usp=sharing), arguing that Freeman never signed a noncompete agreement with The Recon Group, and that its customers weren't trade secrets because anyone could find them through a Google search.

Sheppard deferred comment to Freeman, who said he'd had no option but to start his own business after suddenly losing his job but had never taken a client list.

"When you're fired you have to do something pretty quickly," Freeman said. "What I did quickly was what I knew, which was liquidation."

The two sides saw things differently and were headed to court. But first, mediation.

In the 10 years Keifitz has managed The Recon Group's legal affairs, he says he's never had a no-show. The first one occurred at a hearing scheduled for 10 a.m. on Jan. 9.



North Miami Beach attorney Mikhael Keifitz. Courtesy photo.

"I'm driving through Miami traffic at 9:15 a.m., I'm almost there and I get an email from counsel saying they're not showing up," Keifitz said.

According to Keifitz, defense counsel Sheppard emailed to explain that his client hadn't given him permission to attend, and after waiting about 40 minutes

the mediator called it a day

(<https://drive.google.com/file/d/1RSt6Mh686KjEMsS4yFAgDpBmBr0D7DC/view?usp=sharing>).

Keifitz then asked Miami-Dade Circuit Judge Barbara Areces to compel mediation in an emergency hearing. **And she did**

(https://drive.google.com/file/d/1ufzH4Np_XxUgv-0Ggke05XJ7NVDN23dS/view?usp=sharing), scheduling a Jan. 21 mediation and making it clear that another no-

show wouldn't go over well.

"I went to mediation," Keifitz said. "Again we were there for maybe 40 minutes and again he would not show."

For Keifitz, it was Sheppard's lack of communication that bothered him more than the no-show.

"We have legal and ethical responsibilities to the Florida Bar," Keifitz said. "His ethical responsibility is to let other Florida counsels know if he's coming or not, because we spent our time and therefore the client's money."

'He couldn't do it for free'

According to defendant Freeman, he couldn't afford to defend himself.

“The reason we didn’t show up for court is because, as nice as my attorney is, he couldn’t do it for free, though he offered me the best price possible to be able to go to court and fight it,” Freeman said. “My wife and I had used two credit cards between the both of us to hire him for a retainer fee. In under no circumstances did we ever in a million years think that it was going to be a \$10 million judgment between the company and myself.”

After losing his job, then his business, Freeman’s car and replacement motorcycle were repossessed.

At a second emergency hearing, the judge entered a default judgment against the defendants, finding liability, striking their responses and moving for a jury trial to decipher damages — a judgment Areces ruled she couldn’t make, since both parties had previously asked for a trial.

Trial attorneys Sayre and Waldman stepped in at the last minute. Sayre had another case set for trial Feb. 4 but it settled three days prior, so he whipped up a verdict form, jury instructions and witness statements ready for The Recon Group’s Feb. 5 trial.

About 80 potential jurors were supposed to appear that day, but according to Sayre only six came.

“I got what I got,” Sayre said.

After double-checking that none had signed noncompete agreements, Sayre proceeded.

“It’s easier when there’s nobody on the other side,” Sayre quipped. “But the jury still had to accept our version of our damages and our facts, and they thankfully did.”

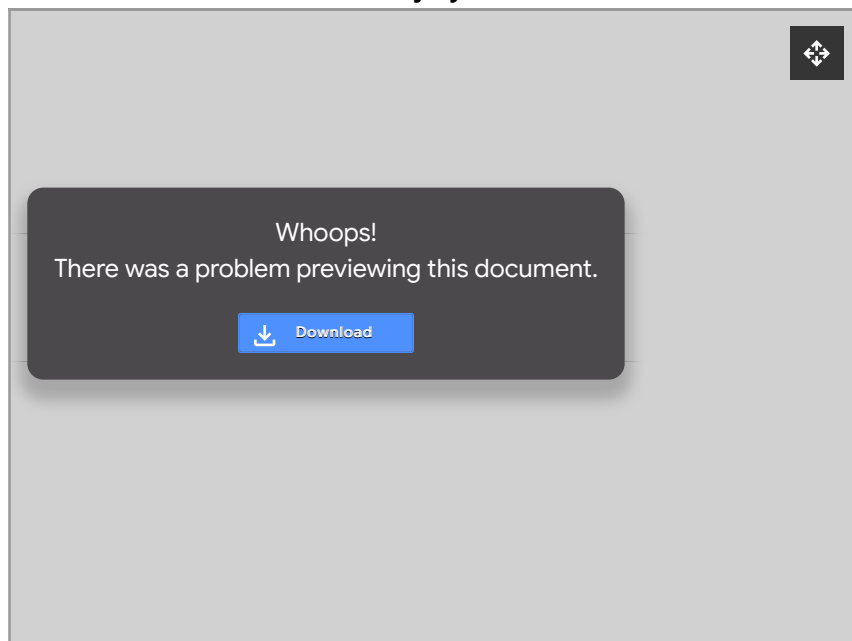


Glen H. Waldman, left, and Michael A. Sayre, right, of Waldman Barnett in Miami. Courtesy photos.

The Recon Group's director of e-commerce testified, and though the company dealt in millions of dollars it asked for between \$699,000 and \$1.349 million.

"We didn't ask for too much, and I think the jury maybe appreciated that," Sayre said.

Read the jury verdict:



Jurors found the defense liable for \$1.349 million, which under Florida's civil theft statute can be tripled. Areces's **final judgment** (https://drive.google.com/file/d/14lJJQNR9FBm_9-maokxhE0TfhL7iqTO/view?usp=sharing) ordered Freeman to pay \$5.4 million and his company \$4.1 million.

Freeman hasn't decided whether he'll appeal the verdict, but says it's shaken his confidence in the system.

"My wife and I have been through hell for three years," he said. "Whether you're innocent or not, if you don't have money you're guilty."

But it's not about the money, the way Keifitz sees it.

"[The Recon Group] know that collecting millions is not going to happen," Keifitz said. "Most important for the client is that they stood up not just for themselves but for their employees, because if they allowed this person to continue taking clients they would have to lay off some people. You lose customers, you lose income, then you lose jobs."

Related stories:

['How Could They Not Show?' Plaintiff to Pay for Opposing Counsel's Long Treks](https://www.law.com/dailybusinessreview/2019/01/03/how-could-they-not-show-plaintiff-to-pay-for-opposing-counsels-long-treks/)
(https://www.law.com/dailybusinessreview/2019/01/03/how-could-they-not-show-plaintiff-to-pay-for-opposing-counsels-long-treks/)

[Good News for No-Show South Florida Lawyer Whose Client's Case Was Dismissed](https://www.law.com/dailybusinessreview/2018/11/08/good-news-for-no-show-south-florida-lawyer-whose-client's-case-was-dismissed/)
(https://www.law.com/dailybusinessreview/2018/11/08/good-news-for-no-show-south-florida-lawyer-whose-client's-case-was-dismissed/)

f SHARE t SHARE

Raychel Lean

Raychel Lean reports on South Florida litigation for the Daily Business Review. Send an email to rlean@alm.com, or follow her on Twitter via @raychellean.



[\(/author/profile/Raychel-Lean/\)](/author/profile/Raychel-Lean/)

More from this author → [\(/author/profile/Raychel-Lean/\)](/author/profile/Raychel-Lean/)

Dig Deeper

[Trade Secrets \(/topics/trade-secrets/\)](/topics/trade-secrets/)

Trending Stories

- [Sneak Peek at the 2019 Go-To Law Schools: Nos. 11-20](https://www.law.com/2019/03/07/sneak-peek-at-the-2019-go-to-law-schools-nos-11-20/)**
(https://www.law.com/2019/03/07/sneak-peek-at-the-2019-go-to-law-schools-nos-11-20/)
[LAW.COM](https://www.law.com/)
[\(HTTPS://WWW.LAW.COM/\)](https://www.law.com/)
- [Big Law Dealmaker Charged in the National College Admissions Scandal](https://www.law.com/dailybusinessreview/2019/03/12/big-law-dealmaker-charged-in-dojs-national-college-admissions-scandal/)**
(https://www.law.com/dailybusinessreview/2019/03/12/big-law-dealmaker-charged-in-dojs-national-college-admissions-scandal/)
[THE AMERICAN LAWYER](https://www.americanlawyer.com/)
[\(/AMERICANLAWYER/\)](https://www.americanlawyer.com/)
- [Orrick Ousts Practice Leader to 'Uphold Our Values and Culture'](https://www.law.com/dailybusinessreview/2019/03/11/orrick-ousts-practice-leader-to-uphold-our-values-and-culture/)**
(https://www.law.com/dailybusinessreview/2019/03/11/orrick-ousts-practice-leader-to-uphold-our-values-and-culture/)

[THE AMERICAN LAWYER \(/AMERICANLAWYER/\)](#)

- 4 **[Sneak Peek at the 2019 Go-To Law Schools: Nos. 21-30](https://www.law.com/2019/03/06/sneak-peek-at-the-2019-go-to-law-schools-nos-21-30/)**
(<https://www.law.com/2019/03/06/sneak-peek-at-the-2019-go-to-law-schools-nos-21-30/>)

[LAW.COM \(HTTPS://WWW.LAW.COM/\)](#)

- 5 **[The 2019 Go-To Law Schools: California Edition](https://www.law.com/therecorder/2019/03/11/the-2019-go-to-law-schools-california-edition/)**
(<https://www.law.com/therecorder/2019/03/11/the-2019-go-to-law-schools-california-edition/>)

[THE RECORDER \(/THERECORDER/\)](#)

[LEAN ADVISER LEGAL \(/LEAN-ADVISER/STATIC/LEAN-ADVISER/?CMP=LARMLDC\)](#)

Think Lean Daily Message

" So Lean Law starts with developing a realistic Agreed Range of Outcomes with the client as the first component, and ends with examining whet... "

[Learn More \(/lean-adviser/static/lean-adviser/?cmp=LARMLDC\)](#)

Recommended Stories



(<https://www.law.com/dailybusinessreview/2019/03/12/walker-dunlop-miami-duo-closes-59-6-million-loan-for-art-falcones-california-project/>)

Walker & Dunlop Miami Duo Closes \$59.6 Million Loan for Art Falcone's California Project

(<https://www.law.com/dailybusinessreview/2019/03/12/walker-dunlop-miami-duo-closes-59-6-million-loan-for-art-falcones-california-project/>)

LIDIA DINKOVA (/AUTHOR/PROFILE/LIDIA-DINKOVA/) | MARCH 12, 2019

Falcone, through a real estate investment trust he leads with Tony Avila and Bill Powers, has embarked on eight multifamily communities in California, Oregon and Florida.



(<https://www.law.com/dailybusinessreview/2019/03/12/florida-sheriffs-look-at-options-amid-desantis-immigration-push/>)

Florida Sheriffs Look at Options Amid DeSantis Immigration Push

(<https://www.law.com/dailybusinessreview/2019/03/12/florida-sheriffs-look-at-options-amid-desantis-immigration-push/>)

DARA KAM | MARCH 12, 2019

A Florida sheriff is encouraging his county colleagues to adopt a newly hatched program that's inexpensive, requires just hours of training and would satisfy the governor and Legislature's goals.



(<https://www.law.com/dailybusinessreview/2018/05/21/airline-broker-prevails-on-claim-of-trade-secrets-theft/>)

Airline Broker Prevails on Claim of Trade Secrets Theft

(<https://www.law.com/dailybusinessreview/2018/05/21/airline-broker-prevails-on-claim-of-trade-secrets-theft/>)

VERDICT SEARCH | MAY 21, 2018

A jury issues more than \$133,000 in damages for the theft of a client list from a company that sells flights on private jets.

Featured Firms

Law Offices of Mark E. Salomone

2 OLIVER ST #608
BOSTON, MA 02109

857-444-6468 (TEL:857-444-6468)
www.marksalomone.com

Gary Martin Hays & Associates P.C.

235 PEACHTREE ST NE #400
ATLANTA, GA 30303
800-898-4297 (TEL:800-898-4297)
www.garymartinhays.com

Smith & Hassler

225 N LOOP W #525
HOUSTON, TX 77008
(877) 777-1529 (TEL:(877) 777-1529)
www.smithandhassler.com

Presented by BigVoodoo →

More from ALM

Legal Announcements

Premium Subscription

With this subscription you will receive unlimited access to high quality, online, on-demand premium content from well-respected faculty in the legal industry. This is perfect for attorneys licensed in multiple jurisdictions or for attorneys that have fulfilled their CLE requirement but need to access resourceful information for their practice areas.

View Now (<http://clecenter.com/Program/Premium.aspx>)

Team Accounts

Our Team Account subscription service is for legal teams of four or more attorneys. Each attorney is granted unlimited access to high quality, on-demand premium content from well-respected faculty in the legal industry along with administrative access to easily manage CLE for the entire team.

View Now (<http://clecenter.com/CleForFirm/Default.aspx>)

Bundle Subscriptions

Gain access to some of the most knowledgeable and experienced attorneys with our 2 bundle options! Our Compliance bundles are curated by CLE Counselors and include current legal topics and challenges within the industry. Our second option allows you to build your bundle and strategically select content that pertains to your needs. Both options are priced the same.

View Now (<http://clecenter.com/Default.aspx>)

CLE Center → (<http://clecenter.com>)

ALM Legal Publication Newsletters

Sign Up Today and Never Miss Another Story.

Subscribe Now

(<https://store.law.com/Registration>)

As part of your digital membership, you can sign up for an unlimited number of a wide range of complimentary newsletters. Visit your [My Account \(https://store.law.com/Registration/myAccount.aspx?promoCode=FLM#/EmailPref\)](https://store.law.com/Registration/myAccount.aspx?promoCode=FLM#/EmailPref) page to make your selections. Get the timely legal news and critical analysis you cannot afford to miss. Tailored just for you. In your inbox. Every day.

[promoCode=FLM#/Email Privacy Policy \(https://www.alm.com/policy-new/\)](https://www.alm.com/promoCode=FLM#/EmailPrivacyPolicy)

dbr DAILY BUSINESS REVIEW [\(/dailybusinessreview/\)](https://dailybusinessreview/)

[Publications \(/publications/\)](https://dailybusinessreview/publications/) / [Law Topics \(/topics/\)](https://dailybusinessreview/topics/) / [Surveys & Rankings \(/dailybusinessreview/..rankings/\)](https://dailybusinessreview/rankings/) / [Public Notice & Classifieds \(/dailybusinessreview/public-notice/\)](https://dailybusinessreview/public-notice/) / [Legal Newswire \(/legalnewswire/\)](https://dailybusinessreview/legalnewswire/) / [Lean Adviser \(/lean-adviser/static/lean-adviser/?cmp=LANBLDC\)](https://dailybusinessreview/lean-adviser/) / [All Sections \(/dailybusinessreview/sitemap/\)](https://dailybusinessreview/sitemap/)

[About Daily Business Review \(/dailybusinessreview/static/about-us/\)](https://dailybusinessreview/static/about-us/) / [Place a Classified \(/dailybusinessreview/static/place-a-classified/\)](https://dailybusinessreview/static/place-a-classified/) / [Contact Us \(/dailybusinessreview/static/contact-us/\)](https://dailybusinessreview/static/contact-us/) / [Site Map \(/dailybusinessreview/sitemap/\)](https://dailybusinessreview/sitemap/) / [Advertise With Us \(/static/advertise-with-us/\)](https://static.advertise-with-us/) / [Customer Care \(https://www.alm.com/contact-us/\)](https://www.alm.com/contact-us/) / [Terms of Service \(https://www.alm.com/terms-of-use/\)](https://www.alm.com/terms-of-use/) / [FAQ \(https://store.law.com/Registration/myAccount.aspx?promoCode=lc#/Help\)](https://store.law.com/Registration/myAccount.aspx?promoCode=lc#/Help) / [Privacy Policy \(https://www.alm.com/privacy-policy-new/\)](https://www.alm.com/privacy-policy-new/)

.(.)

FOLLOW US

[\(https://www.facebook.com/LawdotcomALM/\)](https://www.facebook.com/LawdotcomALM/)

[\(/https://twitter.com/lawdotcom\)](https://twitter.com/lawdotcom)

[\(/https://www.linkedin.com/company/law-com/\)](https://www.linkedin.com/company/law-com/)

[\(http://feeds.feedblitz.com/law/legal-news/\)](http://feeds.feedblitz.com/law/legal-news/)

Publications	Law Topics	Rankings	More	Law.co
The American Lawyer (/americanlawyer/)	Litigation (/topics/litigation/)	Am Law 100 (/americanlawyer/rankings/the-2018-am-law-100-1/)	Events (/events/)	About Us (/static/about-us/)
Corporate Counsel (/corpcounsel/)	Deals and Transactions (/topics/deals-and-transactions/)	Am Law 200 (/americanlawyer/rankings/the-2018-am-law-200-the-american-lawyer/)	Legal Compass (https://www.alm.com/intelligence/solutions-we-provide/business-of-law-solutions/legal-compass/)	Contact Us (/static/contact-us/)
National Law Journal (/nationallawjournal/)	Law Firm Management (/topics/law-firm-management/)	Global 100 (/americanlawyer/rankings/global-100/)	Editorial Calendar (/editorial-calendar/)	Site Map (/sitewith-us/)
New York Law Journal (/newyorklawjournal/)	Legal Practice Management (/topics/legal-practice-management/)	National Law Journal 500 (/americanlawyer/rankings/national-law-journal-500/)	Briefings (/static/briefings/)	Customer Service (https://www.alm.com/customer-service/)
New Jersey Law Journal (/njlawjournal/)	Cybersecurity (/topics/cybersecurity/)	Pro Bono Scorecard (/americanlawyer/rankings/pro-bono-scorecard/)	Legal Dictionary (https://dictionary.law.com/)	Terms of Service (https://www.alm.com/terms-of-service/)
The Recorder (/therecorder/)	Intellectual Property (/topics/intellectual-property/)	The A-List (/americanlawyer/rankings/the-a-list/)	Lawjobs.com (http://lawjobs.com/)	FAQ (https://www.alm.com/faq/)
More Publications > (/publications/)	More Law Topics > (/topics/)	More Rankings > (/rankings/)	Law Firms (/law-firms/)	FAQ (/sites/almstaff/2017/1/asked-questions/)
			Law Schools (/topics/legal-education/)	Privacy Policy (https://www.alm.com/privacy-policy-new/)

Copyright © 2019 ALM Media Properties, LLC. All Rights Reserved.