

Press Release

Akerman Successfully Represents USR Technology Holdings, LLC, Swamp Ox, LLC in Fraud and Breach of Fiduciary Duty Arbitration Dispute

March 27, 2024

Akerman successfully represented USR Technology Holdings, LLC and Swamp Ox, LLC and the businesses' majority owner in a dispute pertaining to fraud and breaches of fiduciary duties.

Between 2018 and 2020, the majority owner started the two businesses with a minority owner in Washington County, Arkansas. The minority owner managed both businesses, while the majority owner provided financial contributions. In August 2022, a dispute ensued regarding the manager and minority owner's use of funds provided by the majority owner for investment in the two companies. The majority owner alleged that the manager and minority owner took money invested by the majority owner and surreptitiously and without authorization paid funds to himself.

Following an unsuccessful mediation, the parties arbitrated their dispute. The majority owner brought claims against the manager and minority owner for breach of contract, breach of fiduciary duty, breach of good faith and fair dealing, fraud, and disassociation and termination of the minority owner's ownership interest in the companies. The arbitrator held a final arbitration hearing in Washington County, Arkansas on October 31, 2023.

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Following the hearing, the arbitrator issued a final six-figure award in the majority owner's favor. The award also dissociated and terminated the minority owner's ownership interest in the two companies pursuant to the Arkansas Uniform Limited Liability Act.

The Akerman team representing USR Technology Holdings, LLC and Swamp Ox, LLC was led by litigation partner Weston Davis and associates Madison Torry and Sydney Sgovio in Dallas.

About Akerman

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