

James E. Arnold & Associates Wins First Big Case of 2009

Improper Business Dealings Brings Multi-Million Dollar Award in Arbitration

February 3, 2009 (Columbus, OH) Columbus-based law firm James E. Arnold & Associates, LPA recently won a \$4.75 million-dollar award against Marketstar Inc., a subsidiary of Omnicom Group, Inc., one of the world's largest advertising conglomerates, on behalf of Worthington, Ohio based Prosper Business Development Corporation.

In April of 2004, Prosper entered into a Confidentiality Agreement with Marketstar, a wholly owned subsidiary of Omnicom Group. In October 2005, Prosper introduced Marketstar to CITIC Guoan, a state-owned corporation in the People's Republic of China, which has significant control over media and information distribution in China. Marketstar presented the CITIC opportunity to its parent, Omnicom, which later utilized the information to enter into a joint venture with CITIC. Although it was undisputed that Prosper brought the parties to the joint venture together, Omnicom took the position that it did not have a contractual relationship with Prosper and as such had no duty to compensate Prosper for its efforts.

"Simply put, Marketstar had a duty to protect Prosper's information and they failed to do so," said lead attorney James Vargo. "Marketstar's parent company, Omnicom, utilized the information to its benefit and excluded Prosper from the joint venture."

Beginning in February 2007, Mr. Vargo and Mr. James Arnold began establishing the case for Prosper, deposing key figures across the country in New York City, Utah and Ohio. Initially stonewalled and offering a very low dollar-figure settlement, Mr. Vargo and Mr. Arnold carried out their strategy to show the breach of trust and complete failure of accountability.

"The Chinese media is controlled by the government and you have to know the right people to do business there," said Mr. Vargo. "Prosper knew the right people and had the connections to introduce Omnicom to the China market. It's a concept called Guanxi, which means trusted relationships. Prosper vouched for the Marketstar group and were then cut out of the business deal. Our client trusted Marketstar to honor their agreements and we were there to make it right."

To resolve the dispute, Prosper and Marketstar presented evidence to a neutral arbitrator during a five-day arbitration proceeding in Columbus, Ohio. On January 27, 2009, the arbitrator issued an award to Prosper of \$4,750,000 for Marketstar's breach of the Confidentiality Agreement. The award was based on a percentage of the overall value of benefits provided to Marketstar's parent company, Omnicom, as a result of the CITIC introduction.

"This is really a David versus Goliath case," said Mr. Vargo. "Prosper is run by three principals in Worthington, Ohio and has about fourteen employees. Omnicom is an international conglomerate with 175 companies under their belt and thought they could bully Prosper. Sometimes the good guys do come out on top. "

James E. Arnold & Associates specializes in trial practice for a diverse client base including individual, corporate, and non-profit clients. In the past several years, the firm's lawyers have obtained numerous multi-million dollar verdicts.

For more information about James E. Arnold & Associates, please visit www.arnlaw.com.