

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

SCHONFELD STRATEGIC ADVISORS LLC,

Index No.

Plaintiff,

-against-

SUMMONS

ADAM GRUNFELD,

Plaintiff designates New York
County as the place of the trial.

Defendant.

Venue is proper pursuant to
CPLR §§ 501 and 503(a).

TO THE ABOVE-NAMED DEFENDANT:

YOU ARE HEREBY SUMMONED to answer the claims against you in the Complaint of Plaintiff, a copy of which is herewith served upon you, and to serve copies of your answer upon the undersigned as attorneys for the Plaintiff, Cole Schotz P.C., whose address is 1325 Avenue of the Americas, 19th Floor, New York, New York 10019, within twenty (20) days after service of the Complaint, exclusive of the day of service, or within thirty (30) days if the completion of service is made in any manner other than by personal delivery within the state. In case of your failure to answer the Complaint, judgment will be taken against you by default for the relief demanded therein.

Dated: New York, New York
April 21, 2026

COLE SCHOTZ P.C.

By: /s/Michael Klauder
Michael Klauder, Esq.
Wendy Chavez, Esq.
Attorneys for Plaintiff
1325 Avenue of the Americas
19th Floor
New York, New York 10019
(212) 752-8000

TO:

ADAM GRUNFELD

42 East 20th Street, PHAB

New York, New York 10003

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

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SCHONFELD STRATEGIC ADVISORS LLC, Index No.

Plaintiff,

COMPLAINT

-against-

ADAM GRUNFELD,

Defendant.
.....

Plaintiff Schonfeld Strategic Advisors LLC (“Schonfeld”), by and through its attorneys, Cole Schotz P.C., as and for its Complaint against Defendant, Adam Grunfeld (“Defendant”), states and alleges as follows:

INTRODUCTION

1. This action arises from a knowing, calculated and willful breach by Defendant of a negotiated employment agreement. After months of arm’s-length negotiations – conducted with the assistance of counsel – Defendant executed a binding employment agreement with Schonfeld, pursuant to which he committed to resign from his prior employer and commence employment with Schonfeld. Defendant made those commitments fully aware that Schonfeld had incurred and committed substantial resources to recruit, conduct diligence, and hire him and that by hiring him, Schonfeld would forgo the opportunity to hire other candidates trading similar strategies.

2. Defendant further acknowledged that, in the event of his breach, it would likely be impossible for Schonfeld to replicate his trading strategies to mitigate its losses, and that the actual damages Schonfeld would suffer, including lost profits from his anticipated trading performance, would be extremely difficult and impractical to ascertain. Defendant's willful repudiation of his contractual obligations has caused Schonfeld to suffer substantial damages, including but not

limited to lost profits and the loss of the opportunity to hire alternative candidates during the recruitment period.

3. From the outset, the parties expressly contemplated the risk that Defendant might fail to honor his obligations. Accordingly, they negotiated and agreed to a liquidated damages provision under which Defendant acknowledged that any failure to timely resign or commence employment would cause Schonfeld significant harm that would be difficult to quantify, and that such a breach would obligate Defendant to pay \$11 million in agreed-upon damages. Defendant expressly confirmed that this amount represented a reasonable estimate of Schonfeld's anticipated damages and did not constitute a penalty.

4. Despite being fully informed of his clear and unequivocal obligations and the consequences of failing to abide by them, Defendant breached the employment agreement. Defendant failed to resign from his prior employer, refused to commence employment with Schonfeld, and repudiated the employment agreement. By doing so, Defendant triggered the very contractual remedy the parties had assiduously negotiated.

5. Defendant then compounded his misconduct. In violation of a separate confidentiality agreement, Defendant disclosed certain confidential information – namely, the terms of his employment agreement and related negotiations – to his current employer, a direct competitor of Schonfeld, in an apparent effort to leverage Schonfeld's contractual commitments for his own personal benefit.

6. Schonfeld has demanded payment of the agreed liquidated damages and sought to enforce its contractual rights. Defendant has refused to make the contractually-agreed payment. This action seeks to hold Defendant accountable for his intentional breach of binding agreements,

to enforce the remedies the parties expressly bargained for, and to recover damages resulting from Defendant's willful breaches.

THE PARTIES

7. Schonfeld is a limited liability company formed and existing under the laws of the State of Delaware with an address of 590 Madison Avenue, 23rd Floor, New York, New York 10022. Schonfeld is registered and authorized to do business in New York.

8. Defendant is an individual who has an address at 42 East 20th Street, PHAB, New York, New York 10003.

JURISDICTION AND VENUE

9. This Court has personal jurisdiction over Defendant pursuant to CPLR §§ 301 and 302 because Defendant resides in New York and regularly conducts business in the State. Further, pursuant to the terms of the parties' Employment Agreement, dated March 3, 2026 (the "Employment Agreement"), Defendant irrevocably consented to the jurisdiction of the State Court located in the County of New York.

10. Venue is proper in New York County pursuant to CPLR § 503(a) because a substantial portion of the events giving rise to Schonfeld's claims occurred, and continue to occur, in New York County, where Schonfeld is based and where Defendant's unlawful conduct has its effects. Further, venue is also proper pursuant to CPLR § 501 because the Employment Agreement expressly provides that New York County, New York shall serve as the venue for all disputes arising out of or relating to the Employment Agreement.

FACTUAL BACKGROUND

Defendant Agrees to Accept Employment at Schonfeld

11. Schonfeld is a sophisticated investment management firm and investment adviser registered with the U.S. Securities and Exchange Commission. Schonfeld's roots go back to 1988,

when the business began as a proprietary trading operation with unique systematic and quantitative resources and has since evolved into a global, multi-strategy, multi-manager hedge fund platform. Schonfeld allocates significant capital across a broad range of asset classes, strategies, and regions, and operates through a highly selective process of recruiting, developing, and supporting senior investment professionals. Today, Schonfeld maintains a substantial international presence, with investment and operational activities spanning five continents, and relies on the careful identification and onboarding of top-tier talent to drive its business and investment performance for its investors.

12. In or around January 2026, Defendant – an experienced investment portfolio manager with more than twenty (20) years in the industry – was introduced to Schonfeld through a head hunter. Following initial discussions, the parties mutually and affirmatively pursued Defendant’s employment at Schonfeld, with Defendant expressing interest in joining the firm as an investment portfolio manager. From the outset, those discussions extended beyond Defendant’s immediate role as a portfolio manager and included conversations about his long-term growth at the firm, his ability to build and scale a team, and the opportunity to take on increasing leadership responsibilities within Schonfeld’s multi-manager platform.

13. Over the ensuing months, Schonfeld and Defendant engaged in detailed, arm’s-length negotiations concerning Defendant’s prospective employment. Throughout that process, Defendant was represented by independent legal counsel who brought to the negotiations substantial experience and familiarity with employment agreements, restrictive covenants, and compensation structures customary in the asset management industry. Defendant repeatedly held himself out as a long-term addition to Schonfeld, capable not only of generating returns through

his own trading strategies but also of contributing to the firm's intellectual capital, and eventually serving as a senior leader within the organization.

14. As the negotiations progressed, the parties exchanged multiple drafts of proposed employment agreements and engaged in substantive, detailed discussions concerning Defendant's role, responsibilities, compensation, anticipated start date, and the significant financial and operational investment Schonfeld would undertake to recruit, coordinate, and secure Defendant's hiring, establish his trading environment, and provide him the tools to be successful. Those discussions contemplated a multi-year relationship in which Defendant would grow his platform at Schonfeld, deploy increasing amounts of capital over time, and play a meaningful role in expanding Schonfeld's investment capabilities and management bench.

15. The parties specifically and deliberately negotiated the consequences of a failure by Defendant to commence employment with Schonfeld, including the amount of liquidated damages, which they discussed, revised, and ultimately agreed upon as a material and bargained-for term of the Employment Agreement.

The Employment Agreement and Confidentiality Agreement

16. Following months of negotiations, Schonfeld and Defendant entered into the Employment Agreement, pursuant to which Schonfeld agreed to employ Defendant to trade, invest and manage assets on Schonfeld's behalf using Defendant's investment strategies and expertise. Although the Employment Agreement memorialized Defendant's initial role as a portfolio manager, the parties understood, based on their negotiations and course of dealing, that Defendant's anticipated contributions were not limited to trading alone, but included longer-term growth, team development, and leadership within the company.

17. In connection with Defendant's new employment with Schonfeld, the parties also entered into a Confidentiality Agreement dated March 3, 2026 (the "Confidentiality Agreement," and together with the Employment Agreement, the "Agreements"), which governed the parties' rights and obligations with respect to certain Schonfeld confidential information relating to Defendant's anticipated employment with Schonfeld and/or obtained by Defendant.

18. Pursuant to Section 5.1(a) of the Employment Agreement, Defendant agreed to commence employment with Schonfeld in May 2027.

19. As expressly set forth in the Employment Agreement, Defendant acknowledged that Schonfeld had incurred and would continue to incur significant expenses and commit substantial resources in connection with hiring him, including, without limitation, internal personnel time, third-party costs, recruiting fees, investment and risk due-diligence expenses, legal fees, and background investigation costs. To that end, Section 7.15(a) provides, in relevant part:

The Employee acknowledges that the Company has incurred significant expenses in connection with, and committed significant resources toward, hiring the Employee, including, but not limited to, internal and third party time, costs and expenses (e.g., recruiting fees and expenses, investment and risk due diligence, legal fees and expenses and background investigations).

20. Defendant further acknowledged that, Schonfeld, by hiring Defendant and entering into the Employment Agreement, was forgoing the recruitment and hiring of other candidates pursuing similar investment strategies, and that any breach of the Employment Agreement would cause harm that Schonfeld could not readily mitigate through replacement or replication. Specifically, Section 7.15(a) of the Employment Agreement provides, in relevant part, as follows:

The Employee further acknowledges that by hiring the Employee, the Company is foregoing the hiring of other candidates that trade strategies similar to the Strategies, and that if the Employee breaches this Employment Agreement, it is likely not possible for the Company to replicate the Strategies to mitigate losses attributable to

such breach. Accordingly, the Employee hereby undertakes, in good faith commencing from the date hereof, to make all reasonable and permissible efforts to timely commence employment with the Company, to winddown and/or transition the Employee's duties and activities in respect of the Employee's prior employment as expeditiously as possible, and to seek, if possible, to reduce any post-employment or other restrictive covenants that could delay or impede the commencement of the Employee's employment with the Company.

21. Defendant is a highly specialized portfolio manager possessing unique investment judgment, strategy design, and capital deployment expertise developed over many years. His anticipated role at Schonfeld was specifically tailored to his individualized trading strategies, risk management approach, and performance history, which are not fungible or readily found among the pool of other professionals. There are few, if any, portfolio managers in the market capable of replicating Defendant's strategy mix, risk profile, and expected performance.

22. In reliance on Defendant's unique skills and experience, and on his express contractual commitments, Defendant expressly agreed with Schonfeld that, immediately upon execution of the Employment Agreement and acting in good faith, he would: (a) use reasonable and permissible efforts to timely commence employment with Schonfeld; (b) promptly wind down and transition his responsibilities with his prior employer; and (c) where feasible, seek to reduce or eliminate any restrictive covenants or obligations that could delay or interfere with his start date.

23. Section 7.15(b) of the Employment Agreement further provides that, absent limited exceptions for short delays caused by illness, injury, or family emergency, any failure by Defendant to resign from his prior employer or timely commence employment would result in damages that would be extremely difficult or impracticable to ascertain. Consistent with the parties' negotiations, Section 7.15(b) of the Employment Agreement further provides as follows:

The Employee acknowledges that if he breaches Section 7.15(a) or otherwise fails to timely resign from his prior employer or timely

commence employment with the Company (other than reasonable delays of up to three months to account for any circumstance of illness, injury, or family emergency), then the actual damages that will be incurred by the Company are and will be extremely difficult and impractical to ascertain. The parties have agreed to a reasonable estimate of such damages. Accordingly, the parties hereby agree that in the event of such breach or failure by the Employee, then he shall pay to the Company, on demand, as and for agreed upon, stipulated and liquidated damages (and not as a penalty) in the sum of \$11 million. Such liquidated damages shall constitute the Company's sole remedy with respect to the specific breach or failure in respect of Section 7.15(a), but shall be in addition to any other damages and remedies that may be available to the Company in the event of any separate or other breaches of this Agreement.

24. The parties understood and agreed that Schonfeld's actual damages in the event of Defendant's non-performance would include, among other things, lost profits and forgone investment returns that Schonfeld reasonably anticipated generating through Defendant's trading activities during the agreed employment term – damages that could not be calculated with certainty in advance. Accordingly, Defendant expressly agreed that, if he failed to timely resign from his prior employer or timely commence employment with Schonfeld, he would pay Schonfeld \$11 million in liquidated damages, which the parties agreed represented a reasonable estimate of some of Schonfeld's anticipated losses and not a penalty.

25. At the time the parties executed the Employment Agreement, the \$11 million liquidated damages amount constituted a reasonable and proportionate estimate of Schonfeld's anticipated losses in the event Defendant failed to timely resign from his prior employer and commence employment. That estimate reflected, among other things: (a) the substantial and front-loaded costs already incurred and committed to recruit, conduct diligence, and integrate Defendant; (b) the opportunity costs associated with forgoing recruiting and hiring other qualified portfolio managers pursuing similar strategies; and (c) the extraordinary difficulty, expense, and uncertainty associated with recruiting and onboarding a replacement portfolio manager with

comparable experience, strategy expertise, performance expectations, and capital-deployment capabilities. The market for professionals with Defendant's profile is extremely limited, and suitable substitutes are exceedingly rare.

26. The parties further agreed that Schonfeld's actual damages resulting from Defendant's non-performance would be incapable or extremely difficult to quantify at the time of contracting. This difficulty is demonstrated by the complexity and structure of Defendant's compensation arrangement, which included Base Performance Compensation, Supplemental Performance Compensation, Bonus Compensation, and a Signing Bonus, each dependent on future performance, market conditions, and strategy deployment. The \$11 million liquidated damages amount was a reasonable estimate and not disproportionate to Schonfeld's expected damages. Indeed, the amount is significantly less than the total compensation contemplated under the Employment Agreement, representing only a fraction of Defendant's anticipated compensation, approximately equivalent to his anticipated Signing Bonus alone, and is far less than the value Schonfeld expected to generate had Defendant honored his commitments under the agreement.

27. The Employment Agreement further provides that the liquidated damages constitute Schonfeld's sole remedy for Defendant's breach of Section 7.15(a), while expressly preserving Schonfeld's right to pursue all other remedies for separate or independent breaches of the Employment Agreement or related agreements.

28. Separately, under the Confidentiality Agreement, Defendant agreed not to disclose Schonfeld's confidential and proprietary information, including the terms of the Employment Agreement and related negotiations, except as expressly permitted by the agreement.

29. Specifically, Section 3(a) of the Confidentiality Agreement provides, in relevant part, that Defendant understood and agreed to maintain all such Confidential Information (as

defined therein) in strict confidence and trust, and not to use or disclose any Confidential Information without the Company's prior written consent:

The Employee understands that employment by or association with the Company creates a confidential relationship of confidence and trust with respect to any information of a confidential or secret nature that may be disclosed to or otherwise learned by the Employee during his or her employment and that relates to the business of the Company or to the business of any parent, affiliate, investor, service provider...Confidential Information includes, but is not limited to...business strategies...and any other non-public information concerning the Company's Businesses...the Employee agrees to keep and hold all such Confidential Information in strict confidence and trust, and shall not use or disclose any Confidential Information without the prior written consent of the Company.

30. The Confidentiality Agreement further provides that Defendant's confidentiality obligations continue notwithstanding the termination or expiration of the Employment Agreement. Section 3(k) expressly states that the obligations set forth in Section 3 of the Confidentiality Agreement "shall survive the expiration or termination of this Agreement or any other cessation of the Employee's employment or association with the Company."

Defendant Inexplicably Breaches the Agreements

31. Notwithstanding his clear and express contractual obligations, on or about March 18, 2026, Defendant abruptly and without justification advised Schonfeld that he would not honor the Employment Agreement and would not resign from his current employer or commence employment with Schonfeld.

32. Defendant's conduct constitutes a clear, knowing, and intentional breach of Section 7.15(a) of the Employment Agreement and triggered his contractual obligation to pay liquidated damages in the amount of \$11 million, as expressly set forth in Section 7.15(b).

33. Compounding his misconduct, Defendant disclosed the terms of his Employment Agreement and related negotiations to his current employer, Millennium Management LLC

(“Millennium”), a direct competitor of Schonfeld, in a blatant effort to leverage Schonfeld’s contractual commitments to renegotiate improved terms for himself at Millennium.

34. Defendant made these disclosures without authorization, without Schonfeld’s consent, and in direct violation of the Confidentiality Agreement, including, *inter alia*, Section 3(a) of the Confidentiality Agreement.

35. As a direct result of Defendant’s willful breaches, Schonfeld has suffered substantial damages and has been forced to anticipate and address risks arising from Defendant’s non-performance and from the improper dissemination of its confidential and proprietary information.

36. On March 24, 2026, Schonfeld sent a written notice to Defendant advising him that, by informing Schonfeld that he did not intend to honor the Employment Agreement, join Schonfeld or leave his current employer, Defendant had materially breached Section 7.15(a) of the Employment Agreement and was therefore liable for \$11 million in liquidated damages pursuant to Section 7.15(b). Schonfeld demanded payment in full by March 31, 2026.

37. Defendant’s counsel, the attorney who had represented Defendant in negotiating the Employment Agreement, referred the March 24, 2026 letter to new counsel for Defendant, who also happens to represent Defendant’s current employer, Millennium. Defendant’s new counsel responded on March 27, 2026 that the liquidated damages provision that had been negotiated for months by experienced, prior counsel was not enforceable but then invited discussion of the matter.

38. On April 7, 2026, Schonfeld sent a second written communication by email to Defendant’s new counsel addressing the enforceability of the liquidated damages provision, reiterating that the payment deadline had expired, that attorneys’ fees had been incurred, and that Defendant had further breached the Employment Agreement and the Confidentiality Agreement

by disclosing Confidential Information to Millennium. The communication emphasized that Defendant, a sophisticated party, negotiated the liquidated damages provision with the assistance of counsel, expressly acknowledged that the amount constituted a reasonable estimate of Schonfeld's damages, and fully understood the consequences of his breach. Schonfeld again demanded payment in full and advised that, absent consensual payment by April 9, 2026, it would pursue alternative remedies.

39. To date, Defendant has failed and refused to pay the liquidated damages owed to Schonfeld, leaving Schonfeld no choice but to commence this action.

40. In sum, Defendant acted willfully and knowingly, in conscious disregard of his contractual obligations, thereby entitling Schonfeld to all available relief under New York law and pursuant to the express terms of the parties' agreements.

FIRST CAUSE OF ACTION
(Breach of Employment Agreement)

41. Plaintiff repeats and realleges the foregoing allegations as if set forth at length herein.

42. The Employment Agreement constitutes a valid, binding, and enforceable contract between Schonfeld and Defendant.

43. Pursuant to the Employment Agreement, Defendant expressly agreed, among other things, to: (i) make all reasonable and permissible efforts to timely resign from his prior employment; (ii) timely commence employment with Schonfeld; and (iii) wind down and transition his prior duties in good faith.

44. Defendant breached the Employment Agreement, including Section 7.15(a), by advising Schonfeld that he would not resign from his prior employer or timely commence

employment with Schonfeld, and that he would fail to satisfy his obligations under the Employment Agreement, as alleged herein.

45. Defendant's breaches triggered the liquidated damages provision of the Employment Agreement, and Schonfeld has demanded payment of the agreed-upon liquidated damages.

46. The liquidated damages provision set forth in Section 7.15(b) of the Employment Agreement is valid and enforceable under New York law. At the time of contracting, (i) the \$11 million amount represented a reasonable estimate of Schonfeld's anticipated damages and bore a reasonable proportion to the probable loss resulting from Defendant's failure to commence employment, and (ii) the actual damages flowing from such a breach were incapable or impracticable of precise estimation. Defendant, a sophisticated investment professional, knowingly agreed to this provision after extensive negotiation and with the assistance of counsel, and cannot now seek to escape its consequences.

47. Schonfeld has fully performed all of its obligations under the Employment Agreement and has not breached, and is not in breach of, any provision thereof.

48. As a direct and proximate result of Defendant's breaches, Schonfeld has suffered damages and is entitled to payment of the liquidated damages amount set forth in the Employment Agreement in the amount of \$11,000,000.

49. Alternatively, to the extent necessary to fully compensate Schonfeld for Defendant's breaches, Schonfeld is entitled to recover its actual damages in an amount to be proven at trial.

50. Pursuant to Section 7.8 of the Employment Agreement, Schonfeld is also entitled to recover its attorneys' fees and costs incurred in connection with this action, in an amount to be determined at trial.

SECOND CAUSE OF ACTION
(Breach of Confidentiality Provision)

51. Plaintiff repeats and realleges the foregoing allegations as if set forth at length herein.

52. Defendant entered into a Confidentiality Agreement with Schonfeld pursuant to which he expressly agreed to maintain the confidentiality of Schonfeld's confidential, non-public, and proprietary information and not to disclose such information to any third party without Schonfeld's authorization.

53. The Confidentiality Agreement constitutes a valid, binding, and enforceable contract under New York law.

54. Schonfeld has fully performed all of its obligations under the Confidentiality Agreement.

55. Upon information and belief, Defendant breached the Confidentiality Agreement, including but not limited to Section 3(a) of thereof, by disclosing Schonfeld's confidential and proprietary information to Millennium, including, without limitation, information concerning Defendant's Employment Agreement, negotiations with Schonfeld, and related contractual arrangements.

56. Defendant made these disclosures without authorization, without Schonfeld's consent, and in direct violation of the express nondisclosure provisions of the Confidentiality Agreement.

57. Defendant knew, or at a minimum should have known, that these disclosures would harm Schonfeld by providing a competitor with insight into Schonfeld's recruiting strategy, contractual terms, and internal business matters.

58. As a direct and proximate result of Defendant's breach of the Confidentiality Agreement, Schonfeld has suffered damages, including but not limited to the loss of confidential and proprietary information, competitive harm, reputational harm, and costs incurred to investigate the scope and consequences of Defendant's misconduct.

59. Defendant's conduct was willful and intentional, entitling Schonfeld to compensatory damages, injunctive relief to the extent appropriate, interest, costs, attorneys' fees permitted by law and contract, and such other and further relief as the Court deems just and proper.

60. Pursuant to Section 15 of the Confidentiality Agreement, Schonfeld is entitled to recover its attorneys' fees and costs incurred in connection with this action, in an amount to be determined at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Schonfeld Strategic Advisors LLC, prays for judgment against Defendant, Adam Grunfeld, and seeks the following relief:

- a. As to the First Cause of Action: judgment against Defendant in an amount not less than \$11,000,000, or in the alternative, such actual damages as are proven, together with prejudgment and post-judgment interest at the maximum legal rate;
- b. As to the Second Causes of Action: judgment against Defendant, in an amount to be proven at trial, together with interest at the maximum legal rate;
- c. An award to Schonfeld for its costs, disbursements, and attorneys' fees incurred in connection with this litigation; and

- d. Such other relief as may be permitted under applicable law and which this Court deems just and equitable under the circumstances.

Dated: New York, New York
April 21, 2026

COLE SCHOTZ P.C.

By: /s/Michael Klauder

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