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INDUSTRY NEWS

Jury Rules in Favor of Mercury Capital in Discrimination Case

A New York jury rejected accusations by Alan Pardee, a co-founder of the now-defunct firm, that he was forced out because of his race

By Chris Cumming

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New York Supreme Court in Manhattan. PHOTO: ANDREW KELLY/REUTERS

Quick Summary



- A New York jury ruled against former executive Alan Pardee’s discrimination and retaliation claims against Mercury Capital Advisors.

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Private-equity adviser Mercury Capital Advisors has prevailed over a former executive’s accusations of discrimination and retaliation in a lawsuit that preceded the firm’s bankruptcy.

A jury in the Supreme Court of New York ruled last week that Mercury co-founder Alan Pardee failed to prove his claims that he was forced out of the firm because of his race and his opposition to what he characterized as a discriminatory environment.

The six-person jury on May 4 unanimously determined that Pardee didn't prove Mercury discriminated against him, and five of six agreed he hadn't been a victim of retaliation.

Pardee's lawsuit, filed in 2021, initially sought at least \$6.6 million from the firm for discrimination, retaliation and breach of contract. Mercury said in court filings that he voluntarily resigned after a poor performance review.

Mercury filed for bankruptcy less than two years ago, amid a staff exodus following Pardee's accusations. The bankruptcy court for the Southern District of New York is still reviewing his breach-of-contract claims.

Mercury's attorney said the jury verdict offers "not satisfaction, but sadness" that the firm was driven into bankruptcy by Pardee's lawsuit.

"Fifty employees lost their jobs, their families suffered and their reputations suffered, all because of one man's ego," said Leonard Michael Cascone, partner at law firm Cascone & Kluepfel.

Pardee, who left Mercury in 2020, is now head of investor relations at private-equity firm Stella Point Capital in New York. Pardee also launched a congressional campaign to succeed retiring U.S. Rep. Jerrold Nadler, a Democrat who represents part of Manhattan, but dropped out of the race in early March.

Pardee said the jury's decision in the Mercury case is disappointing, but that he is looking toward the bankruptcy court, which is still reviewing some of

his claims against Mercury. He said he also is looking into the possibility of an appeal.

“I remain confident that I will prevail on my separate substantial breach-of-contract claims in the Mercury bankruptcy case pending in the U.S. Bankruptcy Court,” Pardee said. “I am grateful for the testimony of the witnesses who came forward who testified to their poor treatment and experiences at Mercury.”

New York-based Mercury was formed in 2009 by Pardee, Michael Ricciardi and Enrique Cuan, who together had led the private-funds group at Merrill Lynch. The firm built a global presence helping private-fund managers raise money, advising on secondary transactions and providing other services.

Investcorp, the Bahrain-based alternative-investments giant, bought Mercury in 2019.

In his lawsuit, Pardee, who is biracial and partly of Dominican descent, claimed that the firm gradually became “a safe space for white men only” under the leadership of Ricciardi, Mercury’s former chief executive.

Ricciardi said the jury’s decision removed the unfair stain that the lawsuit had left on his reputation. Ricciardi wasn’t a defendant in Pardee’s lawsuit, but was named in it. He left his role as CEO of Mercury following Pardee’s lawsuit and now serves as board member and adviser to several private-equity-related enterprises.

“I have held my response for five years while my family name, its honor and its integrity have been trampled upon,” Ricciardi said in response to last week’s verdict.

“The jury has now spoken loudly, clearly and swiftly,” he said. “While I seek no retribution, the tragedy of this entire matter is that such frivolous

accusations disrespect the cherished rights of those they are meant to protect.”

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