Wigdor Files Retaliation Complaint Against Financial Services Holding Company Flagstar

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Wigdor LLP has filed a complaint on behalf of our client, Ross Marrazzo, alleging Flagstar Financial, as well as the bank's former Executive Chair, President and CEO Alessandro Dinello, retaliated against Mr. Marrazzo by terminating him amidst an internal compliance investigation into DiNello's alleged illicit activities.

As alleged in the complaint (linked below), which was filed under the Sarbanes-Oxley Act, Mr. Marrazzo was a well-respected and high achieving regulatory compliance professional at Flagstar, then New York Community Bankcorp Inc., (NYCB) who began reporting to DiNello in early 2024. Mr. Marrazzo found DiNello had direct knowledge of a client's money laundering activities. When Mr. Marrazzo attempted to investigate the issue as required by his professional responsibilities, DiNello interfered with the investigation and threatened to fire him.

This was not the first instance of disturbing behavior Mr. Marrazzo witnessed from DiNello. In one example, DiNello flagrantly violated regulations by sharing sensitive, proprietary information over a zoom conference with a junior employee sitting in his lap. An outside firm was hired to investigate the matter, and DiNello managed to avoid repercussions.

Eventually, Mr. Marrazzo opened an investigation into DiNello himself regarding possible violations of the New York Stock Exchange and Securities and Exchange Commission regulations around money laundering and insider trading. Mr. Marrazzo was then suddenly terminated, just ahead of concluding the investigation and potentially notifying the appropriate government authorities.

This is not the first regulatory challenge faced by Flagstar in recent years. When the bank acquired Signature— which had documented regulatory issues and criminal activity in its portfolio—Mr. Marrazzo took the lead in remediating. Financial problems for Flagstar followed, however, with DiNello at the helm. As reported by Yahoo! Finance in July 2025, Flagstar was "one of the worst performing stocks" in the market.

Rather than support a seasoned compliance professional working to protect the bank from regulatory and criminal exposure, Flagstar and DiNello allegedly chose to silence him. In doing so, the bank not only retaliated against employee who chose to uphold their professional responsibilities, but also obstructed a critical investigation, enabling further violations and eroding trust in the integrity of its leadership and operations.

Statement from attorney Michael J. Willemin:

"The Complaint alleges behavior ranging from alarming to brazenly illegal. Whether it is turning a blind

eye to compliance issues or wildly unprofessional workplace conduct, it is critical the Bank be held accountable. Financial institutions may not be permitted to operate above the law, nor should employees be punished for trying to uphold it."

The full Marrazzo v. Flagstar Financial, Inc. and Alessandro DiNello complaint may be found here.

For any questions, please reach out to attorney Michael J. Willemin (mwillemin@wigdorlaw.com) or Director of Marketing Tess Neudeck (tneudeck@wigdorlaw.com).

Press Coverage:

- New York Post
- The Real Deal
- RIS Media

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