

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

UBS Financial Services Inc. and UBS Credit Corp.

Case Number: 20-00217

vs.

Respondent

Jason Lee Seifert

Hearing Site: Cleveland, Ohio

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Member and Non-Member vs. Associated Person

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimants UBS Financial Services Inc. and UBS Credit Corp. (collectively “Claimants”): Anthony J. Borrelli, Esq. and Hunter S. Ricker, Esq., Riker, Danzig, Scherer, Hyland * Perretti LLP, Morristown, New Jersey.

For Respondent Jason Lee Seifert (“Respondent”): Jeffrey C. Miller, Esq. and Russell T. Rendall, Esq., Brennan, Manna, & Diamond, LLC., Cleveland, Ohio.

CASE INFORMATION

Statement of Claim filed on or about: January 22, 2020.

Reply and Defenses to Counterclaim filed on or about: April 6, 2020.

Claimants signed the Submission Agreement: January 21, 2020.

Statement of Answer and Counterclaim filed on or about: March 9, 2020.

Respondent signed the Submission Agreement: March 9, 2020.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the causes of action of breach of eleven promissory notes. The causes of action relate to Respondent’s alleged failure to repay sums due to Claimants under the promissory notes upon Respondent’s resignation from employment with Claimants.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In the Counterclaim, Respondent asserted the following causes of action: fraudulent inducement, constructive fraud, promissory estoppel, negligent misrepresentation, and breach of contract – duty of good faith and fair dealing. The causes of action relate to Respondent's allegation that Claimants made substantial errors and misrepresentations regarding FINRA Protocol before Respondent's transition from his prior employment to his employment with Claimants, which resulted in damage to Respondent's client relationships, reputation, income, and ability to succeed while employed by Claimants.

In the Reply and Defenses to Counterclaim, Claimants denied the allegations made in the Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested an award for the principal amounts due and owing under the Notes, in the amount of \$514,721.69; interest, late fees, and all costs, fees, and expenses in connection with this arbitration, including attorneys' fees; and such other and further relief as the Panel deems just and equitable.

In the Statement of Answer, Respondent requested that the Panel dismiss the Statement of Claim and award Respondent such other relief as may be appropriate. In the Counterclaim, Respondent requested that the Statement of Claim be dismissed in its entirety; that the agreements and notes related to Respondent's employment with Claimants be rescinded; damages against Claimants related to fraudulent inducement, constructive fraud, and negligent misrepresentations; and any further relief deemed appropriate.

In the Reply and Defenses to Counterclaim, Claimants restated the request for relief contained in the Statement of Claim.

At the hearing, Claimants requested \$582,256.73 in damages for the principal and interest on the promissory notes, \$120,000.00 in attorneys' fees, and that all forum fees be assessed against Respondent. Respondent requested \$3,554,936.00 in compensatory damages, \$764,000.00 in exemplary damages, and that all forum fees be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

The Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimants the sum of \$541,721.69 in compensatory damages.
2. Respondent is liable for and shall pay to Claimants interest on the above-stated sum at the rate of 2% per annum from thirty days after the award date through and including the date the award is paid in full.
3. Respondent's Counterclaim is denied.
4. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, are denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$	2,550.00
Counterclaim Filing Fee	= \$	1,575.00

**The filing fee is made up of a non-refundable and a refundable portion.*

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, UBS Financial Services Inc. is assessed the following:

Member Surcharge	= \$	2,475.00
Member Process Fee	= \$	5,075.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrator(s), including a pre-hearing conference with the Arbitrator(s), which lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) pre-hearing sessions with the Panel @ \$1,300.00/session	= \$	2,600.00
Pre-Hearing Conferences: May 22, 2020	1 session	
May 18, 2021	1 session	
Seven (7) hearing sessions @ \$1,300.00/session	= \$	9,100.00
Hearings: September 8, 2021	2 sessions	
September 9, 2021	2 sessions	
September 10, 2021	2 sessions	
September 13, 2021	1 session	

Total Hearing Session Fees	= \$	11,700.00
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The Panel has assessed \$5,850.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$5,850.00 of the hearing session fees to Respondent.

All balances are payable to FINRA Dispute Resolution Services and are due upon receipt.

ARBITRATION PANEL

Robert J. Scafuri	-	Public Arbitrator, Presiding Chairperson
David Minc	-	Public Arbitrator
Robert M. Shwab	-	Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument, which is my award.

Concurring Arbitrators' Signatures

Robert J. Scafuri

Robert J. Scafuri
Public Arbitrator, Presiding Chairperson

09/21/2021

Signature Date

David Minc

David Minc
Public Arbitrator

09/22/2021

Signature Date

Robert M. Shwab

Robert M. Shwab
Non-Public Arbitrator

09/21/2021

Signature Date

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

September 22, 2021

Date of Service (For FINRA Dispute Resolution Services use only)