

**Stipulated Award  
FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimants

UBS Financial Services Inc. and  
UBS Credit Corp.

Case Number: 17-00361

vs.

Respondent

David J. Morris

Hearing Site: Chicago, Illinois

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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

**REPRESENTATION OF PARTIES**

For Claimants UBS Financial Services Inc. and UBS Credit Corp. (collectively “Claimants”):  
Michael T. Roche, Esq., Roche & Hormozi, LLC, Chicago, Illinois.

Respondent David J. Morris (“Respondent”) appeared pro se.

**CASE INFORMATION**

Statement of Claim filed on or about: February 10, 2017.

Response to Statement of Answer and Counterclaim filed on or about: May 23, 2017.

Claimants signed the Submission Agreement: February 9, 2017.

Statement of Answer and Counterclaim filed on or about: April 3, 2017.

Respondent signed the Submission Agreement: April 18, 2017.

**CASE SUMMARY**

In the Statement of Claim, Claimants asserted the following causes of action: breach of contract and unjust enrichment. The causes of action related to Claimants’ allegation that Respondent breached ten promissory notes (“Notes”) by failing to repay the principal balance upon the termination of his employment with Claimants.

Unless specifically admitted in the Statement of Answer and Counterclaim, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. Respondent asserted a counterclaim for fraudulent inducement.

Unless specifically admitted in the Response to Statement of Answer and 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 in the amount of \$917,853.39 in compensatory damages, representing the principal amount due and owing on the Notes; accrued interest as provided in the Notes; late fees on the Notes in the amount of \$2,018.49; all costs incurred in collecting the outstanding balance, interest, and late fees, including but not limited to the costs of arbitration, including filing fees, forum fees, attorneys' fees, and interest; and such further relief as the Panel deems just and proper

In the Statement of Answer and Counterclaim, Respondent requested that the Panel deny Claimants' claims in their entirety; enter an award in favor of Respondent in an amount equal to the commissions he would have generated had Claimants allowed him to facilitate certain transactions; award Respondent his attorneys' fees, as well as costs and fees associated with this arbitration proceeding; and any other relief just and equitable.

In the Response to Statement of Answer and Counterclaim, Claimants requested that the Panel enter an award denying the Counterclaim in its entirety; award Claimants all costs incurred in defending the Counterclaim, including but not limited to the costs of arbitration, including filing fees, forum fees, attorneys' fees, and interest; and award Claimants such further relief as the Panel deems just and proper.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On December 13, 2021, Claimant filed a Motion for Entry of a Stipulated Award, to which no response was filed. On December 27, 2021, Claimant filed a Reply in Support of the Motion for Entry of a Stipulated Award.

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

### **AWARD**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of Claimants for entry of a Stipulated Award, and the written stipulation thereto, the Panel grants the motion and enters this Stipulated Award granting the following relief:

1. Respondent is liable for and shall pay to Claimants the sum of \$917,862.39 in compensatory damages.
2. Respondent is liable for and shall pay to UBS Financial Services Inc. the sum of \$115,309.65 in contractual interest.
3. Respondent is liable for and shall pay to UBS Financial Services Inc. the sum of \$87,229.24 in attorneys' fees and costs.
4. Respondent is liable and shall pay to Claimants the sum of \$2,009.50 in late fees associated with the unpaid Notes.
5. In the event this Award is not satisfied within 30 days of the date of this Award, each of the above enumerated amounts shall bear interest at the rate of 9% per annum on the outstanding amount and calculated on the basis of a 365-day year until the Award is paid in full.
6. Respondent's Counterclaim is denied.
7. Any and all claims for relief not specifically addressed herein are denied.

### **FEES**

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

#### **Filing Fees**

FINRA Dispute Resolution Services will retain or collect the non-refundable filing fees\* 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

### **Postponement Fees**

Postponements granted during these proceedings for which fees were assessed or waived:

June 12-15, 2018, postponement requested by the parties	= \$	1,300.00
September 9-13, 2019, postponement requested by the parties	= \$	1,300.00
January 19-22, 2021, postponement requested by the parties	= \$	1,300.00
November 8-12, 2021, postponement requested by the parties	= \$	1,300.00
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Total Postponement Fees	= \$	5,200.00

The Panel has assessed the total postponement fees to Respondent.

### **Discovery-Related Motion Fees**

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers with one (1) Arbitrator @ \$200.00/decision	= \$	200.00
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Claimants submitted one (1) discovery-related motion

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Total Discovery-Related Motion Fees	= \$	200.00

The Panel has assessed the total discovery-related motion fees to Respondent.

### **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:

Four (4) pre-hearing sessions with the Panel @ \$1,300.00/session	= \$	5,200.00
Pre-Hearing Conferences: June 28, 2017	1 session	
July 24, 2018	1 session	
May 11, 2020	1 session	
January 26, 2021	1 session	

Decision on the papers:	= \$	300.00
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Total Hearing Session Fees	= \$	5,500.00

The Panel has assessed the total hearing session fees to Respondent.

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

**ARBITRATION PANEL**

Theodore W. Wrobleski	-	Public Arbitrator, Presiding Chairperson
Richard Russell Perlman	-	Public Arbitrator
Jerome K. Rumps	-	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**

**Theodore W. Wrobleski**

Theodore W. Wrobleski  
Public Arbitrator, Presiding Chairperson

**01/07/2022**

Signature Date

**Richard Russell Perlman**

Richard Russell Perlman  
Public Arbitrator

**01/10/2022**

Signature Date

**Jerome K. Rumps**

Jerome K. Rumps  
Non-Public Arbitrator

**01/07/2022**

Signature Date

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January 10, 2022

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

