

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Andre Danesh

Case Number: 20-04193

vs.

Respondents
Morgan Stanley
Kevin Anthony Butler

Hearing Site: Boston, Massachusetts

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: Customer vs. Member and Associated Person

This case was decided by a majority-public panel.

REPRESENTATION OF PARTIES

For Claimant Andre Danesh: David W. Sparrow, Esq., Law Offices of David W. Sparrow, Esq., Hewlett, New York.

For Respondents Morgan Stanley, and Kevin Anthony Butler: Andrew Gelfand, Esq., Morgan Stanley, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: December 28, 2020.

Andre Danesh signed the Submission Agreement: December 28, 2020.

Joint Statement of Answer filed by Respondents on or about: February 18, 2021.

Morgan Stanley signed the Submission Agreement: February 17, 2021.

Kevin Anthony Butler signed the Submission Agreement: February 17, 2021.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: negligence; erroneous trading; execution error; failure to properly execute trade; negligent management and supervision. The causes of action relate to Tesla (“TSLA”) options.

Unless specifically admitted in the Statement of Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amount of \$1,590,295.00; costs; and any other and further relief as deemed warranted.

In the Statement of Answer, Respondents requested that the Statement of Claim be dismissed in its entirety; expungement be recommended for Respondent Kevin Butler (Occurrence Number 2107604); and that Respondents be awarded their costs.

At the conclusion of the hearing, Claimant requested unspecified attorneys' fees.

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. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$130,314.64 in compensatory damages.
2. Respondents are jointly and severally liable for and shall pay to Claimant interest on the above-stated award at the rate of 12% per annum from February 26, 2020 until the award is paid.
3. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$8,015.92 in costs.
4. Respondents are jointly and severally liable for and shall pay to Claimant \$600.00 to reimburse Claimant for the non-refundable portion of the filing fees previously paid to FINRA Dispute Resolution Services.
5. Respondent Kevin Butler's request for expungement of the above-captioned arbitration (Occurrence Number 2107604) from his registration records maintained by the CRD is denied.
6. Any and all claims for relief not specifically addressed herein, including any request for attorneys' fees, are denied.

FEES

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

Filing Fees

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

Initial Claim Filing Fee	=\$ 2,000.00
Expungement 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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent Morgan Stanley is assessed the following:

Member Surcharge	=\$ 3,025.00
Member Process Fee	=\$ 6,175.00

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 Arbitrators, including a pre-hearing conference with the Arbitrators, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,400.00/session	=\$ 1,400.00
Pre-Hearing Conference: April 5, 2021	1 session
Seven (7) hearing sessions @ \$1,400.00/session	=\$ 9,800.00
Hearings:	
August 11, 2021	2 sessions
August 12, 2021	2 sessions
August 13, 2021	2 sessions
September 10, 2021	1 session

Total Hearing Session Fees	=\$ 11,200.00
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The Panel has assessed the total hearing session fees jointly and severally to Respondents.

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

ARBITRATION PANEL

Gerard S. Marsan	-	Public Arbitrator, Presiding Chairperson
William A. Barrett	-	Public Arbitrator
Arthur Lewis Pressman	-	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

Gerard S. Marsan

Gerard S. Marsan
Public Arbitrator, Presiding Chairperson

10/15/2021

Signature Date

William A. Barrett

William A. Barrett
Public Arbitrator

10/14/2021

Signature Date

Arthur Lewis Pressman

Arthur Lewis Pressman
Non-Public Arbitrator

10/15/2021

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.

October 15, 2021

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