

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Jefferies LLC

Case Number: 16-02122

vs.

Respondent
Jason Paul Schoenholtz

Hearing Site: New York, New York

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 vs. Associated Person

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Jefferies LLC: Andrew J. Shapren, Esq. and Robert J. Fitzgerald, Esq., Buchanan Ingersoll & Rooney PC, Philadelphia, Pennsylvania.

For Respondent Jason Paul Schoenholtz: Denis Patrick Kelleher, Esq. and Noam Greenspan, Esq., Talkin, Muccigrosso & Roberts, LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: July 20, 2016.
Jefferies LLC signed the Submission Agreement: July 19, 2016.

Amended Statement of Answer filed by Respondent on or about: November 22, 2016.
Jason Paul Schoenholtz signed the Submission Agreement: November 15, 2016.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract and promissory estoppel.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested liquidated damages in the amount of \$2,250,000.00; unspecified compensatory damages for breach of the agreement and promissory estoppel; attorneys' fees; costs; and any further relief the Panel deem just and proper.

In the Amended Statement of Answer, Respondent requested that the Panel dismiss or deny in their entirety Claimant's Statement of Claim; attorneys' fees and cost; and such other and further relief as the Panel may deem 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.

In-person hearings in this arbitration were held on September 12, 13, 2018, and October 10, 2018. During a pre-hearing conference on October 6, 2020, the Panel asked the parties to submit proposed dates for a Zoom hearing. The hearings on December 15, 16, 17, 2020, and January 22, 2021 were held virtually through Zoom due to the coronavirus pandemic.

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 Claimant the sum of \$100,000.00 in compensatory damages.
2. Respondent is liable for and shall pay to Claimant the sum of \$98,416.73 in costs.
3. Respondent is liable for and shall pay to Claimant the sum of \$325,198.26. in attorneys' fees pursuant to the terms of the parties' agreement.
4. Claimant's request that the Panel reconsider and reverse its prior Order denying Claimant's claim for liquidated damages is denied; that Order dated October 21, 2018 stands.
5. Any and all claims for relief not specifically addressed herein 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 = \$ 3,400.00

**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 event giving rise to the dispute. Accordingly, as a party, Claimant Jefferies LLC is assessed the following:

Member Surcharge = \$ 3,025.00

Member Process Fee = \$ 6,175.00

Postponement Fees

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

April 10-13, 2018, postponement requested by parties. = \$ 1,400.00

December 3-5, 2019, postponement requested by Respondent. = \$ 1,400.00

January 14-17, 2020, postponement requested by the parties. = \$ 1,400.00

Total Postponement Fees = \$ 4,200.00

The Panel has assessed \$1,400.00 of the postponement fees to Claimant.

The Panel has assessed \$2,800.00 of the postponement fees to Respondent.

Last-Minute Cancellation Fees

Fees apply when a hearing on the merits is cancelled within ten calendar days before the start of a scheduled hearing session:

Fees apply when a hearing on the merits is cancelled within three business days before the start of a scheduled hearing session:

April 10-13, 2018, cancellation requested parties. = \$ 1,800.00

Total Last-Minute Cancellation Fees = \$ 1,800.00

The Panel has assessed \$900.00 of the last-minute cancellation fees to Claimant.

The Panel has assessed \$900.00 of the last-minute cancellation fees to Respondent.

Discovery-Related Motion Fees

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

Three (3) decisions on discovery-related motions on the papers with one (1) Arbitrator @ \$200.00/decision = \$ 600.00

Claimant submitted two (3) discovery-related motions

Total Discovery-Related Motion Fees = \$ 600.00

The Panel has assessed \$300.00 of the discovery-related motion fees to Claimant.

The Panel has assessed \$300.00 of the 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 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 a single Arbitrator @ \$450.00/session = \$ 450.00
Pre-hearing Conference: July 26, 2018 1 session

Eight (8) pre-hearing sessions with the Panel @ \$1,400.00/session = \$ 11,200.00
Pre-hearing Conferences: February 13, 2017 1 session
November 5, 2018 1 session
April 12, 2018 1 session
July 26, 2019 1 session
September 4, 2019 1 session
December 3, 2019 1 session
October 6, 2020 1 session
December 11, 2020 1 session

Twelve (13) hearing sessions @ \$1,400.00/session = \$ 18,200.00
Hearing Dates: September 12, 2018 2 sessions
September 13, 2018 2 sessions
October 10, 2018 2 sessions
December 15, 2020 2 sessions
December 16, 2020 2 sessions
December 17, 2020 2 sessions
January 22, 2021 1 session

Total Hearing Session Fees = \$ 29,850.00

The Panel has assessed \$14,225.00 of the hearing session fees to Claimant.

The Panel has assessed \$15,625.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

James M. Rhodes	-	Public Arbitrator, Presiding Chairperson
Anna Lascar	-	Public Arbitrator
Robert J. Miller	-	Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

James M. Rhodes

James M. Rhodes
Public Arbitrator, Presiding Chairperson

02/05/2021

Signature Date

Anna Lascar

Anna Lascar
Public Arbitrator

02/04/2021

Signature Date

Robert J. Miller

Robert J. Miller
Non-Public Arbitrator

02/04/2021

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.

February 09, 2021

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