

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants
Pius Sprenger
Srinvas Namagiri

Case Number: 18-03448

vs.

Respondent
Deutsche Bank Securities, Inc.

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: Associated Persons vs. Member

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimants Pius Sprenger (“Sprenger”) and Srinvas Namagiri (“Namagiri”): Jonathan Sack, Esq., and Queenie Paniagua, Esq., Sack & Sack LLP, New York, New York.

For Respondent Deutsche Bank Securities, Inc.: Lloyd Chin, Esq., and Margaret Swetman, Esq., Proskauer Rose, LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: October 1, 2018.
Amended Statement of Claim filed on or about: June 26, 2019.
Sprenger signed the Submission Agreement: October 1, 2018.
Namagiri signed the Submission Agreement: October 1, 2018.

Statement of Answer filed by Respondent on or about: January 17, 2019.
Answer to Amended Statement of Claim filed on or about: September 4, 2019.
Deutsche Bank Securities, Inc. signed the Submission Agreement: January 18, 2019.

CASE SUMMARY

In the Statement of Claim as amended, Claimants asserted the following causes of action: breach of contract; quantum meruit-unjust enrichment; and violation of labor laws.

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

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

- I. Compensatory damages in an amount not less than \$44,500,000.00 for Sprenger;
- II. Compensatory damages in an amount not less than \$29,000,000.00 for Namagiri;
- III. Punitive damages in the maximum amount permitted by law;
- IV. Legal and accounting fees incurred in connection with enforcing their rights hereunder;
- V. Damages pursuant to applicable New York state Labor Law, including, but not limited to, attorneys' fees and liquidated damages plus interest and costs;
- VI. All other prejudgment interest, costs, punitive damages (where applicable) and attorneys' fees, where applicable; and
- VII. Such other and further relief as deemed just and proper.

In the Amended Statement of Claim, Claimants requested:

- I. Compensatory damages in an amount not less than \$44,866,000.00 for Sprenger;
- II. Compensatory damages in an amount not less than \$29,266,000.00 for Namagiri;
- III. Punitive damages in the maximum amount permitted by law;
- IV. Legal and accounting fees incurred in connection with enforcing their rights hereunder;
- V. Damages pursuant to applicable New York state Labor Law, including, but not limited to, attorneys' fees and liquidated damages, plus interest and costs;
- VI. All other prejudgment interest, costs, punitive damages (where applicable) and attorneys' fees, where applicable; and
- VII. Such other and further relief as deemed just and proper.

In the Answer to the Amended Statement of Claim, Respondent requested that Claimants' claims be denied.

OTHER ISSUES CONSIDERED AND DECIDED

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

On June 26, 2019 Claimants filed a Motion to Amend the Statement of Claim. On July 16, 2019, Respondent filed a response opposing the Motion to Amend. On July 30, 2019, Claimants filed a Reply to the Motion to Amend. On August 9, 2019, the Panel granted the Motion to Amend the Statement of Claim.

On March 24, 2021, the parties filed a Joint Motion to proceed with virtual hearings. By Order dated April 20, 2021, the Panel granted the parties' Joint Motion to proceed with virtual hearings.

At the conclusion of Claimants' case-in-chief, Respondent made a Motion to Dismiss and Claimants opposed the motion. After due deliberation, the Panel denied Respondent's Motion to Dismiss.

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 Sprenger the sum of \$8,366,666.00 in compensatory damages.
2. Respondent is liable for and shall pay to Namagiri the sum of \$6,020,000.00 in compensatory damages.
3. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and 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 = \$ 2,250.00

**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 is assessed the following:

Member Surcharge = \$ 4,025.00
Member Process Fee = \$ 7,000.00

Discovery-Related Motion Fees

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

Two (2) decisions on discovery-related motions on the papers with one (1) Arbitrator @ \$200.00/decision = \$ 400.00

Claimants submitted one (1) discovery-related motion
Respondent submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 400.00

The Panel has assessed \$160.00 of the discovery-related motion fees jointly and severally to Claimants.

The Panel has assessed \$240.00 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:

Five (5) pre-hearing sessions with the Panel @ \$1,500.00/session	= \$ 7,500.00
Pre-Hearing Conferences: February 26, 2019	1 session
December 9, 2019	1 session
August 25, 2020	1 session
April 20, 2021	1 session
July 19, 2021	1 session

Twenty-Seven (27) hearing sessions @ \$1,500.00/session	= \$ 40,500.00
Hearings: June 3, 2021	2 sessions
June 4, 2021	2 sessions
June 9, 2021	2 sessions
June 10, 2021	2 sessions
June 11, 2021	2 sessions
June 14, 2021	2 sessions
June 21, 2021	2 sessions
June 22, 2021	2 sessions
November 1, 2021	2 sessions
November 2, 2021	2 sessions
November 8, 2021	1 session
November 30, 2021	2 sessions
December 1, 2021	2 sessions
December 2, 2021	2 sessions

Total Hearing Session Fees = \$ 48,000.00

The Panel has assessed \$24,000.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$24,000.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Madelon M. Rosenfeld	-	Public Arbitrator, Presiding Chairperson
Harvey Barrison	-	Public Arbitrator
Margarita Echevarria	-	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

Madelon M. Rosenfeld

Madelon M. Rosenfeld
Public Arbitrator, Presiding Chairperson

12/16/2021

Signature Date

Harvey Barrison

Harvey Barrison
Public Arbitrator

12/17/2021

Signature Date

Margarita Echevarria

Margarita Echevarria
Non-Public Arbitrator

12/15/2021

Signature Date

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December 17, 2021

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