

**Stipulated Award
FINRA Dispute Resolution Services**

In the Matter of the Arbitration Between:

Claimants

Morgan Stanley Smith Barney LLC and
Morgan Stanley FA Notes Holdings LLC

Case Number: 19-00731

vs.

Respondent

Amad Owidi

Hearing Site: Houston, Texas

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 Morgan Stanley Smith Barney LLC (“Morgan Stanley”) and Morgan Stanley FA Notes Holdings LLC (“MS FA Notes Holdings”) (collectively “Claimants”): Matthew B. Henneman, Esq. and Joseph Cialone, III, Esq., Henneman Rau LLP, Houston, Texas.

For Respondent Amad Owidi (“Respondent”): Roman B. Sankovych, Esq., Eccleston Law, LLC, Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: March 15, 2019.
Answer to Respondent’s Counterclaim: June 24, 2019.
Morgan Stanley signed the Submission Agreement: March 14, 2019.
MS FA Notes Holdings did not sign the Submission Agreement.

Statement of Answer and Counterclaim filed on or about: June 3, 2019.
Respondent signed the Submission Agreement: June 3, 2019.

CASE SUMMARY

In the Statement of Claim, Claimants asserted breach of contract as the sole cause of action. The cause of action relates to four promissory notes (the “Notes”) executed by Respondent as part of his employment with Morgan Stanley.

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 also asserted the following causes of action: defamation/disparagement, negligence, tortious interference with contract or business relationship, breach of contract, and unjust enrichment.

Unless specifically admitted in the Answer to Counterclaim, Claimants denied the allegations made in the Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

- a) the principal amount and interest balance due and owing under the Notes as of March 14, 2019 (\$97,246.96), plus additional interest due through the date of the award at the default rates set forth in the Notes (totaling \$13.84 per day) on the \$93,286.17 unpaid principal due on the Notes;
- b) attorneys' fees and expenses, including all FINRA forum fees and filing fees as provided for by the Notes; and
- c) all other just relief to which they may be entitled.

In the Statement of Answer and Counterclaim, Respondent requested:

- a) compensatory damages not less than \$660,000.00;
- b) that the Notes be declared null and void;
- c) that all relief sought by Claimants be denied;
- d) punitive damages in an amount to be determined; and
- e) any other relief that the Panel finds just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

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

On January 14, 2020, the Claimants filed a Notice of Withdrawal of Claimant MS FA Notes Holdings. Therefore, the Panel made no determination as to any claims related to MS FA Notes Holdings and the case proceeded with Morgan Stanley as the sole Claimant.

On December 22, 2020, the parties filed an Executed Settlement Agreement and Release, Proposed Stipulated Award, and Stipulation to Enter FINRA Award Pursuant to the Settlement Agreement. The parties notified the Panel that, pursuant to the Settlement Agreement and Release, the parties have stipulated that the Stipulated Award shall not be enforced against Respondent so long as he is in compliance with the Settlement Agreement and Release and that upon full, complete, and timely payments made by Respondent, under the Settlement Agreement and Release, the Stipulated Award will immediately and automatically become null and void.

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 both parties for an 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 Morgan Stanley the sum of \$104,136.73, which includes principal and accrued interest through November 12, 2020, plus interest at the rate of 6% per annum from November 12, 2020 until this Award is satisfied, plus all costs incurred in connection with enforcement of the Settlement Agreement and Release, plus attorneys' fees in the amount of \$10,000.00, filing fees, statutory costs and disbursements, less any payments previously paid by Respondent to Morgan Stanley under the terms of the Settlement Agreement and Release.
2. Claimants' Statement of Claim is dismissed without prejudice.
3. Respondent's Counterclaim is dismissed with prejudice.
4. All unpaid and outstanding fees and costs assessed by FINRA against either Morgan Stanley or Respondent is each party's responsibility.
5. All fees and costs charged by FINRA for review and execution of the Stipulated Award by the Panel shall be assessed one half against Morgan Stanley and one half against Respondent.

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	= \$	1,750.00
Counterclaim Filing Fee	= \$	1,725.00

**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, Morgan Stanley is assessed the following:

Member Surcharge	= \$	1,100.00
Member Process Fee	= \$	2,250.00

Discovery-Related Motion Fees

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

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

Morgan Stanley submitted one (1) discovery-related motion
Respondent submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 400.00

The Panel has assessed \$100.00 of the discovery-related motion fees to Morgan Stanley.

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 Arbitrator(s), including a pre-hearing conference with the Arbitrator(s), 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: May 11, 2020 1 session

Two (2) pre-hearing sessions with the Panel @ \$1,300.00/session = \$ 2,600.00
Pre-Hearing Conferences: August 14, 2019 1 session
May 19, 2020 1 session

Decision on the papers: = \$ 300.00

Total Hearing Session Fees = \$ 3,350.00

The Panel has assessed \$1,450.00 of the hearing session fees to Morgan Stanley.

The Panel has assessed \$1,900.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Allan R. Lazor	-	Public Arbitrator, Presiding Chairperson
Lynne M. Gomez	-	Public Arbitrator
John F. Hinrichs	-	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

Allan R. Lazor

Allan R. Lazor
Public Arbitrator, Presiding Chairperson

02/02/2021

Signature Date

Lynne M. Gomez

Lynne M. Gomez
Public Arbitrator

02/02/2021

Signature Date

John F. Hinrichs

John F. Hinrichs
Non-Public Arbitrator

02/02/2021

Signature Date

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February 02, 2021

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