

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimant

Steven Joseph Mastrovich

Case Number: 19-01247

vs.

Respondent

UBS Securities LLC

Hearing Site: New York, New York

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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: Associated Person vs. Member

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

For Claimant Steven Joseph Mastrovich: Jonathan Sack, Esq., Sack & Sack LLP, and Queenie Paniagua, Esq., Sack & Sack LLP, New York, New York.

For Respondent UBS Securities LLC: Carl W. Mills, Esq., Hughes Hubbard & Reed, New York, New York.

**CASE INFORMATION**

Steven Joseph Mastrovich signed the Submission Agreement: May 6, 2019.

Statement of Claim filed on or about: May 6, 2019.

Amended Statement of Claim filed on or about: March 12, 2020.

Answer to Counterclaim filed on or about: May 20, 2020.

UBS Securities LLC signed the Submission Agreement: August 15, 2019.

Statement of Answer filed on or about: August 15, 2019.

Answer to Amended Statement of Claim and Counterclaim filed on or about: April 30, 2020.

### **CASE SUMMARY**

In the Statement of Claim and Amended Statement of Claim, Claimant asserted the following causes of action: breach of contract; breach of implied contract; quantum meruit-unjust enrichment; promissory estoppel; retaliation; and wrongful and retaliatory termination.

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.

In the Counterclaim, Respondent asserted the following cause of action: unjust enrichment.

In the Answer to Counterclaim, Claimant denied the allegations made in the Counterclaim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested compensatory damages in an amount equal to at least \$4,050,000.00; other unspecified compensatory damages; prejudgment interest; costs; punitive damages; attorney's fees; and such other and further relief that as deemed just and proper.

In the Amended Statement of Claim, Claimant amended the compensatory damages in an amount equal to at least \$4,165,000.00; other unspecified compensatory damages; prejudgment interest; costs; punitive damages; attorney's fees; and such other and further relief that as deemed just and proper.

In the Statement of Answer, Respondent requested Claimant's Statement of Claim be denied in its entirety with prejudice; and such other and further relief as deemed fair and equitable.

In the Answer to Amended Statement of Claim and Counterclaim, Respondent requested that the Amended Statement of Claim be denied in its entirety with prejudice; compensatory damages in the amount of \$276,675.80, plus accrued interest; and such other and further relief as deemed fair and equitable.

In the Answer to the Counterclaim, Claimant requested that the Counterclaim be dismissed in its entirety; costs; and any other and further relief as deemed just and proper.

At the close of hearing, Claimant requested compensatory damages in the amount of \$6,719,259.00.

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

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

On March 12, 2020, Claimant filed a Motion to Amend the Statement of Claim. On March 20, 2020, Respondent filed a response stating its non-opposition to Motion to Amend. By Order dated April 16, 2020, the Panel granted Claimant's Motion to Amend the Statement of Claim.

On March 30, 2021, Claimant filed a Motion for Zoom Hearings. On April 2, 2021, Respondent filed an opposition to the Motion for Zoom Hearings. On April 7, 2021, Claimant filed a reply to its Motion for Zoom Hearings. By Order dated April 15, 2021, the Panel granted Claimant's Motion for Zoom Hearings.

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 \$1,139,550.00 in compensatory damages plus interest at the rate of 9% per annum from February 23, 2018 through and including December 13, 2021 for the 2017 Bonus.
2. Respondent is liable for and shall pay to Claimant the sum of \$2,146,200.00 in compensatory damages plus interest at the rate of 9% per annum from November 10, 2018 through and including December 13, 2021 for the 2018 Bonus (Greystone).
3. Respondent is liable for and shall pay to Claimant the sum of \$2,398,378.00 in compensatory damages plus interest at the rate of 9% per annum from November 10, 2018 through and including December 13, 2021 for the 2018 Bonus (TSX).
4. Respondent is liable for and shall pay to Claimant the sum of \$678,746.00 in compensatory damages for Deferred Compensation.
5. Respondent is liable for and shall pay to Claimant the sum of \$7,500.00 in costs.
6. Respondent's Counterclaim is denied in its entirety.
7. 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	= \$	2,000.00
Counterclaim Filing Fee	= \$	2,125.00

*\*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 Respondent UBS Securities LLC 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 Arbitrator, including a pre-hearing conference with the Arbitrators, which lasts four (4) hours or less. Fees associated with these proceedings are:

Four (4) pre-hearing sessions with the Panel @ \$1,400.00/session	= \$	5,600.00
Pre-Hearing Conferences: September 6, 2019	1 session	
May 5, 2020	1 session	
April 15, 2021	1 session	
May 4, 2021	1 session	
Sixteen (16) hearing sessions @ \$1400.00/session	= \$	22,400.00
Hearings: May 18, 2021	2 sessions	
May 19, 2021	2 sessions	
May 20, 2021	2 sessions	
May 21, 2021	2 sessions	
August 17, 2021	2 sessions	
August 18, 2021	2 sessions	
November 15, 2021	2 sessions	
December 13, 2021	2 sessions	

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Total Hearing Session Fees	= \$	28,000.00
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The Panel has assessed \$14,000.00 of the hearing session fees to Claimant.

The Panel has assessed \$14,000.00 of the hearing session fees to Respondent.

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

**ARBITRATION PANEL**

Lorrie E Whitfield	-	Public Arbitrator, Presiding Chairperson
Adam B. Lass	-	Public Arbitrator
Thomas Caiaffa	-	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**

***Lorrie E Whitfield***

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Lorrie E Whitfield  
Public Arbitrator, Presiding Chairperson

**12/21/2021**

\_\_\_\_\_  
Signature Date

***Adam B. Lass***

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Adam B. Lass  
Public Arbitrator

**12/19/2021**

\_\_\_\_\_  
Signature Date

***Thomas Caiaffa***

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Thomas Caiaffa  
Non-Public Arbitrator

**12/18/2021**

\_\_\_\_\_  
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.

December 22, 2021

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