

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

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In the Matter of the Arbitration Between:

Claimants

Allison R. Walk and  
Stephen Walk

Case Number: 20-01787

vs.

Respondent

UBS Financial Services, Inc.

Hearing Site: Baltimore, Maryland

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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: Customers vs. Member

This case was decided by an all-public panel.

**REPRESENTATION OF PARTIES**

For Claimants Allison R. Walk and Stephen Walk (“Claimants”): Samuel B. Edwards, Esq. and Ryan S. Cook, Esq., Shepherd, Smith, Edwards & Kantas, LLP, Houston, Texas.

For Respondent UBS Financial Services, Inc. (“Respondent”): David L. Goldberg, Esq., Katten Muchin Rosenman LLP, New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: June 5, 2020.

Claimants signed the Submission Agreement: June 3, 2020.

Statement of Answer filed on or about: August 26, 2020.

Respondent signed the Submission Agreement: June 5, 2020.

**CASE SUMMARY**

In the Statement of Claim, Claimants asserted the following causes of action: breach of contract and warranties, promissory estoppel; unfair trade and deceptive practices; abuse, neglect, and exploitation of elderly persons and disabled adults; violation of Maryland and Rhode Island fraud statutes; negligence and gross negligence; misrepresentation and negligent misrepresentation; breach of fiduciary duty; and unjust enrichment. The causes of action related to Claimants’ allegation that, upon Respondent’s recommendation, they invested in the Yield Enhancement Strategy (“YES”), which was complex and highly risky but misrepresented to Claimants as a way to obtain marginally higher yield on a portfolio while taking limited risks. Claimants alleged that

Respondent and its team of options traders conducted the YES program with virtually no supervision or compliance oversight and with inadequate risk controls.

Unless specifically admitted in the 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, Claimants requested an award of compensatory damages between \$500,000.00 and \$1,000,000.00, including all direct and/or consequential damages and statutory and/or punitive damages; plus interest and costs as provided by statute, in an amount which Claimants reserve the right to amend at any time including during hearings held on these matters, as follows:

- A. All sums lost in Claimants' accounts on any or all transactions made or not made, plus, additionally or alternatively;
- B. All lost opportunities incurred as a result of acts and/or omissions, including the opportunity cost of Claimants being forced to liquidate investments to pay down their margin debt, plus, additionally or alternatively;
- C. Consequential damages, including the tax consequences of Respondent's actions;
- D. Statutory damages as proved by applicable law, plus, additionally or alternatively;
- E. Punitive damages in an amount that the Panel shall deem appropriate, plus;
- F. Pre-award and pre-judgment interest at the highest rate allowed by law, plus, additionally or alternatively;
- G. All costs of these proceedings and for recovery of damages incurred, including legal fees, including while in appeal, if any, and for collection, plus, additionally or alternatively;
- H. Any and all other relief available to Claimants, in law or equity or otherwise, which may be granted to them by the Panel.

In the Statement of Answer, Respondent requested that the Statement of Claim be dismissed in its entirety with prejudice, expungement on behalf of Unnamed Party Adam Rogers of all references to this matter from the Central Registration Depository ("CRD") registration records and for such other and further relief as the Panel deems just and proper.

At the hearing, Claimant Allison R. Walk requested damages of \$1,137,640.00, but offered alternative arguments for an award of \$537,161.56 or \$481,580.11.

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

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

The Panel considered Respondent's request for expungement of all references to the above-captioned arbitration from the registration records of Unnamed Party Adam Rogers, as part of the in-person, recorded evidentiary hearing conducted in this matter.

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 Allison R. Walk the sum of \$300,000.00 in compensatory damages.
2. Respondent is liable for and shall pay to Claimant Allison R. Walk the sum of \$30,000.00 in costs.
3. Respondent is liable for and shall pay to Claimant Allison R. Walk the sum of \$75,000.00 in attorneys' fees pursuant to Maryland Commercial Law Code §13-301 and §13-408.
4. Claimant Stephen Walk's claims are denied.
5. Respondent's request for expungement on behalf of Unnamed Party Adam Rogers of the above-captioned arbitration (Occurrence Number 2078240) from his registration records maintained by the CRD is denied.
6. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and treble damages, are denied.

## 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	=\$ 1,725.00
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*\*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, Respondent is assessed the following:

Member Surcharge	=\$ 2,475.00
Member Process Fee	=\$ 5,075.00

### Postponement Fees

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

August 9-13, 2021, postponement requested by Claimants	=\$ 1,300.00
<hr/> Total Postponement Fees	<hr/> =\$ 1,300.00



**ARBITRATION PANEL**

Lawrence E. Dube, Jr.	-	Public Arbitrator, Presiding Chairperson
Peter H. Goldberg	-	Public Arbitrator
Anitra Oluonye	-	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**

**Lawrence E. Dube, Jr.**

Lawrence E. Dube, Jr.  
Public Arbitrator, Presiding Chairperson

**08/20/2021**

Signature Date

**Peter H. Goldberg**

Peter H. Goldberg  
Public Arbitrator

**08/20/2021**

Signature Date

**Anitra Oluonye**

Anitra Oluonye  
Public Arbitrator

**08/21/2021**

Signature Date

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August 23, 2021

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