

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

New York Life Insurance Company
NYLife Securities LLC

Case Number: 20-03273

vs.

Respondent

Gina Adly

Hearing Site: Boca Raton, Florida

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 New York Life Insurance Company (“NYLIC”), and NYLife Securities LLC (“NYLS”): Richard F. Lubarsky, Esq., Lubarsky Law Firm PLLC, White Plains, New York.

Respondent Gina Adly did not appear.

CASE INFORMATION

Statement of Claim filed on or about: September 16, 2020.
NYLIC signed the Submission Agreement: September 16, 2020.
NYLS signed the Submission Agreement: September 16, 2020.

First Amended Statement of Claim filed: October 7, 2020.

CASE SUMMARY

In the Statement of Claim, as amended, Claimants asserted the following causes of action: breach of contract; breach of fiduciary duties; tortious interference with contractual relations; and, permanent injunction. The causes of action relate to Respondent’s alleged improper solicitation, inducement and recruitment of Claimants’ employees to a new employer, in violation of the parties’ fully executed Partner’s Employment Agreement (the “Agreement”) dated September 21, 2017.

RELIEF REQUESTED

In the Statement of Claim, as amended, Claimants requested: 1) \$300,000.00 in liquidated

damages, together with applicable pre-award interest; 2) actual damages in an amount to be determined at the hearing; 3) injunctive relief enjoining Respondent from violating Sections 5(c) & (d) of the Agreement, including by: “(a) in any way, directly or indirectly, inducing, or assisting in any way in the inducement or attempted inducement of, any agent, employee or registered representative of New York Life to leave New York Life, or in any way modify his/her relationship with New York Life; (b) directly or indirectly, hiring or contracting with, or causing others to hire or contract with, any agents, employees or registered representatives of New York Life; and (c) directly or indirectly, participating, encouraging or assisting in the hiring or contracting process for any other company of any agents, employees or registered representatives of New York Life;” 4) attorneys’ fees, costs, disbursements, forum fees, and arbitrators’ fees of the arbitration; and, 5) such other and further relief as may be appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

NYLIC is a not a member of FINRA, but voluntarily submitted to FINRA jurisdiction by filing a Statement of Claim, a First Amended Statement of Claim, an executed Submission Agreement, and a copy of the Agreement as a pre-dispute agreement to arbitrate through FINRA, and is bound by all determinations made of the Arbitrator.

Respondent did not file a Statement of Answer. The Arbitrator determined that Respondent was served with the Claim Notification letter dated September 18, 2020, by regular mail, and the Overdue Notice including the Statement of Claim dated December 1, 2020, by regular and certified mail. The Arbitrator also determined that Respondent was served with the Notification of Arbitrator dated December 24, 2020, by regular and certified mail, as evidenced by the signed signature card on file/USPS tracking information available online.

The Claim Notification letter notified Respondent that FINRA rules require parties to use the online DR Portal on a mandatory basis (except pro se investors) and that failure to register for the DR Portal will prevent the submission of pleadings, selection of arbitrators, and receipt of notification relating to case information and deadlines. Respondent failed to register for the DR Portal.

The Arbitrator determined that Respondent is, therefore, bound by the Arbitrator’s ruling and determination.

On October 7, 2020, Claimants filed their First Amended Statement of Claim, in which they reduced their monetary request for liquidated damages from \$375,000.00 to \$300,000.00.

On December 18, 2020, Claimants requested default proceedings against Respondent. Thereafter, Claimant’s claims proceeded against Respondent pursuant to Rule 13801 of the Code of Arbitration Procedure (the “Code”).

AWARD

After considering the pleadings, the Arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The Arbitrator finds that Respondent Gina Adly improperly solicited and recruited four (4) of Claimants' employees in violation of the terms of the Agreement.
2. Respondent is liable for and shall pay to Claimants the sum of \$300,000.00 in liquidated damages.
3. Claimant's request for an injunction against Respondent Gina Adly is denied.
4. Respondent is liable for and shall pay to Claimants the sum of \$150.00 to reimburse Claimants for the paper decision fee previously paid to FINRA Dispute Resolution Services.
5. Claimants' requests for fees and costs are denied.
6. Any and all claims for relief not specifically addressed herein, including Claimants' request for attorneys' fees, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Claim 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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Claimant NYLS is assessed the following:

Member Surcharge = \$ 1,900.00

Member Process Fee = \$ 3,750.00

Hearing Session Fees and Assessments

The Arbitrator 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:

Decision on the papers: = \$ 300.00

Total Hearing Session Fee = \$ 300.00

The Arbitrator has assessed the total decision on the papers fee jointly and severally to Claimants.

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

ARBITRATOR

John Richard Lynch

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Sole 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.

Arbitrator's Signature

John Richard Lynch

John Richard Lynch
Sole Public Arbitrator

02/26/2021

Signature Date

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February 26, 2021

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