

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Larry Robert Krmpotich

Case Number: 20-03370

vs.

Respondent
Stifel, Nicolaus & Co., Inc.

Hearing Site: Minneapolis, Minnesota

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 partially by videoconference.

REPRESENTATION OF PARTIES

For Claimant Larry Robert Krmpotich (“Claimant”): Christopher C. Coss, Esq. and Thomas J. Momjian, Esq., Coss & Momjian, LLP, Bala Cynwyd, Pennsylvania.

For Respondent Stifel, Nicolaus & Co., Inc. (“Respondent”): Amy L. Blaisdell, Esq. and Katherine L. Fechte, Esq., Greensfelder, Hemker & Gale, P.C., St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on or about: September 28, 2020.
Claimant signed the Submission Agreement: September 17, 2020.

Statement of Answer filed on or about: November 17, 2020.
Respondent signed the Submission Agreement: November 16, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: defamation, tortious interference with prospective economic advantage, tortious interference with contract, and unjust enrichment/quantum meruit. The causes of action related to the circumstances surrounding the termination of Claimant’s employment with Respondent and Claimant’s assertion that that the Form U5 filed by Respondent, as part of registration records maintained by the Central Registration Depository (“CRD”), is defamatory.

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, Claimant requested: compensatory damages in excess of \$4,000,000.00; punitive damages in excess of \$4,000,000.00; expungement of the Form U5 filed by Respondent; attorneys' fees in connection with his expungement request; and such other relief as the panel deems appropriate.

In the Statement of Answer, Respondent requested that the Panel dismiss Claimant's claims with prejudice, assess fees and costs for defense of the Statement of Claim against Claimant, and award Respondent such other relief as it deems appropriate.

At the hearing, Claimant requested total damages of \$8,729,568.64, consisting of lost commissions/salary bonuses, and unvested deferred compensation of \$3,729,568.64; mental anguish damages of \$1,000,000.00, and punitive damages of \$4,000,000.00.

OTHER ISSUES CONSIDERED AND DECIDED

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

At the hearing, after the conclusion of Claimant's case-in-chief, Respondent moved for dismissal, which motion was denied on the record.

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. Claimant's claims are denied in their entirety.
2. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, 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	= \$ 2,250.00
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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 following:

Member Surcharge	= \$	3,600.00
Member Process Fee	= \$	6,800.00

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(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 the Panel @ \$1,500.00/session	= \$	1,500.00
Pre-Hearing Conference: December 2, 2021	1 session	
Nine (9) hearing sessions @ \$1,500.00/session	= \$	13,500.00
Hearings:		
December 6, 2021	2 sessions	
December 7, 2021	2 sessions	
December 8, 2021	2 sessions	
December 9, 2021	2 sessions	
December 10, 2021	1 session	

Total Hearing Session Fees	= \$	15,000.00
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The Panel has assessed \$7,500.00 of the hearing session fees to Claimant.

The Panel has assessed \$7,500.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

John M. James	-	Public Arbitrator, Presiding Chairperson
Douglas J. Nesbit	-	Public Arbitrator
David Ernest Krause	-	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

John M. James

John M. James
Public Arbitrator, Presiding Chairperson

01/14/2022

Signature Date

Douglas J. Nesbit

Douglas J. Nesbit
Public Arbitrator

01/14/2022

Signature Date

David Ernest Krause

David Ernest Krause
Non-Public Arbitrator

01/14/2022

Signature Date

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January 14, 2022

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