

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
David Greene

Case Number: 17-00112

vs.

Respondent
Credit Suisse Securities (USA) LLC

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant David Greene: Ross B. Intelisano, Esq., John G. Rich, Esq. and Jessica A. Murzyn, Esq., Rich, Intelisano & Katz, LLP, New York, New York.

For Respondent Credit Suisse Securities (USA) LLC: Peter L. Altieri, Esq., Janene M. Marasciullo, Esq., Eric W. Moran, Esq., and Christopher Lech, Esq., Epstein Becker & Green, P.C., New York, New York, and Robert Khayat, Esq., The Khayat Law Firm, Atlanta, GA.

CASE INFORMATION

Statement of Claim filed on or about: January 11, 2017.
Greene signed the Submission Agreement: January 5, 2017.

Statement of Answer and Counterclaim filed by Respondent on or about: March 22, 2017.
Credit Suisse signed the Submission Agreement: March 2, 2017.

Answer to Counterclaim filed by Claimant on or about: April 11, 2017.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; constructive discharge; breach of the covenant of good faith and fair dealing; unjust enrichment; conversion; fraudulent inducement; fraudulent, intentional and/or negligent misrepresentation; promissory estoppel; retaliation; breach of securities industry rules, regulations and standards of conduct, various state labor laws and other similar causes of action; and quantum meruit recovery. The causes of action relate to Claimant's employment with Respondent.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In its Counterclaim, Respondent asserted the causes of action of breach of contract; unjust enrichment; breach of fiduciary duty; unfair competition; and misappropriation of trade secrets. The causes of action relate to Claimant's termination of employment with Respondent.

In his 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In the Statement of Claim, Claimant requested: the 2010 Asset Award, initially granted in 2012 and subsequently rescinded, amounting to \$2,135,000.00; a lump sum severance payment, amounting to \$2,159,542.00 (calculated at \$134,350.00/month for 18 months, 95% and 6% discount rate per the Letter Agreement); deferred compensation in the amount of \$778,170.00; elite and other growth awards in the amount of approximately \$500,000.00; dividends on AUM award stock not paid in the amount of approximately \$100,000.00; compensation for unlawful, fraudulent misrepresentations in an amount to be determined by the Panel; compensation for violations of various industry rules, state labor laws relating to accrued but unused vacation time, earned commissions and fees on assets; compensatory damages; punitive damages; interest at the legal rate; attorneys' fees and costs; witness fees and administrative expenses; declaratory relief in the form of complete vitiation of any fiscal responsibility to repay monies related to the 2010 Promissory Note signed by Claimant; and any other and further relief the Panel finds just and equitable.

In the Statement of Answer and Counterclaim, Respondent requested: \$2,465,880.37 due on the 2010 Promissory Note, plus accrued but unpaid default interest, at the rate of 6.7%, collection costs; attorneys' fees; \$56,916.00 in connection with production-related compensation overpayment; damages sustained by Claimant's breaches, in an amount to be ascertained at the hearing; a declaration that Claimant is not entitled to vesting or delivery of his unvested contingent deferred awards under the Share Plan and related documentation, whether under a legal theory of constructive termination or otherwise; a declaration that Claimant is not entitled to vesting or delivery of the Asset Award described in his Offer Letter; a declaration that Claimant is not entitled to the severance payment described in his offer letter; the dismissal and/or denial of the relief on each and every claim asserted in the Statement of Claim; an award of the relief requested in the Counterclaim; and such other and further relief as the Panel deemed proper.

In the Answer to Counterclaim, Claimant requested denial and dismissal of Respondent's Counterclaim.

At the hearing, Claimant requested compensatory damages of \$4,987,494.00, prejudgment interest of \$1,126,920.00, attorneys' fees of at least \$636,525.27, costs and expenses of at least \$60,863.84, and punitive damages.

At the hearing, Respondent requested damages of \$2,977,933.33, which represents the principal plus accrued prejudgment interest on the 2010 Promissory Note;

\$56,916.00 in connection with the overpayment of compensation, and compensatory damages of \$367,213.40 in connection with its counterclaims for breach of contract, breach of fiduciary duty, unfair competition, and misappropriation of trade secrets.

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about January 22, 2019, during the evidentiary hearing, after the close of Claimant's case-in-chief, Respondent orally argued a Motion to Dismiss Claimant's claims due to his voluntary resignation. Claimant opposed, arguing that the termination was not voluntary and without cause. The Panel denied the Motion to Dismiss.

The parties present at the hearing have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, if any, 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 compensatory damages of \$3,234,830.90, comprised of \$2,159,541.90 in severance payment, \$369,073.00 in deferred compensation and \$706,216.00 in assets under management. The Chair dissents from this portion of the Award.
2. Respondent is liable for and shall pay to Claimant interest on the total compensatory damages award at the Georgia statutory rate of 7% per annum starting ten days from the service of this Award through and including the date the Award is paid. The Chair dissents from this portion of the Award.
3. Claimant is liable for and shall pay to Respondent compensatory damages of \$3,034,849.33, comprised of \$2,977,933.33 due under the 2010 Promissory Note and \$56,916.00 in overpayment of compensation.
4. Claimant is liable for and shall pay to Respondent interest on the 2010 Promissory Note award of \$2,977,933.33, starting on February 22, 2019, at the Georgia statutory rate of 6.7% per annum, through and including the date the Award is paid.
5. Claimant is liable for and shall pay to Respondent interest on the overpayment award of \$56,916.00 at the Georgia statutory rate of 7% per annum, accruing ten days from date of the service of this Award through and including the date the Award is paid.
6. The above amounts payable by each party are offset, leaving a total net amount due and payable by Respondent to Claimant of \$199,981.57.

7. Other than forum fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter.
8. Any and all claims for relief not specifically addressed herein, including the respective parties' requests for attorneys' fees, and Claimant's request for punitive damages are denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee	=\$2,250.00
Counterclaim Filing Fee	=\$3,400.00

**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, Respondent is assessed the following:

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

Postponement Fees

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

April 2-6, 2018, joint postponement	=\$1,500.00
February 19, 2019, joint postponement	WAIVED

Total Postponement Fees	=\$1,500.00
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The Panel has assessed \$750.00 of the adjournment fees to Claimant.

The Panel has assessed \$750.00 of the adjournment fees to Respondent.

The Panel WAIVED the February 19, 2019 postponement fee.

Discovery-Related Motion Fee

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

Seven (7) decisions on a discovery-related motion on the papers with one (1) arbitrator @ \$200.00/decision	=\$1,400.00
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Claimant submitted 2 discovery-related motions
Respondent submitted 5 discovery-related motions

Total Discovery-Related Motion Fees = \$1,400.00

The Panel has assessed \$700.00 of the discovery-related motion fees to Claimant.

The Panel has assessed \$700.00 of the discovery-related motion fees to Respondent.

Contested Motion for Issuance of Subpoena Fee

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) decision on a contested motion for the issuance of a subpoena
with one arbitrator @ \$250.00 = \$ 250.00

Total Contested Motion for Issuance of Subpoena Fee = \$ 250.00

The Panel has assessed \$125.00 of the contested motion for issuance of subpoena
fees to Claimant.

The Panel has assessed \$125.00 of the contested motion for issuance of subpoena
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) that lasts four (4) hours or less. Fees associated with
these proceedings are:

Four (4) pre-hearing sessions with the Panel @ \$1,500.00/session = \$6,000.00

Pre-hearing conferences: May 31, 2017 1 session
August 27, 2018 1 session
August 28, 2018 1 session
November 27, 2018 1 session

Twenty-two (22) hearing sessions @ \$1,500.00/session = \$33,000.00

Hearing Dates: January 14, 2019 2 sessions
January 15, 2019 2 sessions
January 16, 2019 2 sessions
January 17, 2019 2 sessions
January 22, 2019 2 sessions
January 23, 2019 2 sessions
January 24, 2019 2 sessions
January 25, 2019 2 sessions
February 20, 2019 2 sessions
February 21, 2019 2 sessions
February 22, 2019 2 sessions

Total Hearing Session Fees = \$39,000.00

The Panel has assessed \$19,500.00 of the hearing session fees to Claimant.

The Panel has assessed \$19,500.00 of the hearing session fees to Respondent.

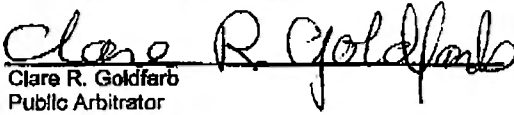
All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

James David Askren, II	-	Public Arbitrator, Presiding Chairperson
Clare R. Goldfarb	-	Public Arbitrator
Peggy Lewis Kennedy	-	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


Clare R. Goldfarb
Public Arbitrator

3/4/2019
Signature Date

Peggy Lewis Kennedy
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

James David Askren, II
Public Arbitrator, Presiding Chairperson

Signature Date

3/4/2019

Date of Service (For FINRA Office of Dispute Resolution office use only)

FINRA Office of Dispute Resolution
Arbitration No. 17-00112
Award Page 7 of 7

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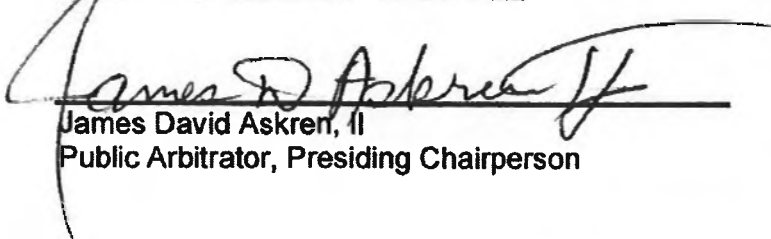
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