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Sarasota broker wins \$3M arbitration award

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A **Financial Industry Regulatory Authority** arbitration panel has ordered UBS Financial Services to pay \$3 million for defamation to James L. Springer Jr., a former UBS broker in Sarasota.

The award is one of the largest in the financial industry related solely to defamation, said Michael Taaffe, a partner at Shumaker Loop & Kendrick in Sarasota and part of the team that represented Springer.

Springer had originally asked for total damages between \$63.8 million and \$96.5 million, citing 13 separate causes of action, in addition to defamation, in an amended claim filed last year. The FINRA panel, sitting in Tampa, held UBS liable for \$3 million in compensatory damages for the defamation claim.

"This award for a single one of Mr. Springer's claims while denying all others, is substantially less than what was asked for. However we are disappointed in the ruling and believe that any amount is unwarranted," said Peter Stack, managing director and head of media relations at UBS Americas, part of UBS AG (NYSE: UBS).

Springer worked for UBS for 12 years, managing more than \$350 million in client assets, when he was dismissed by UBS in 2014, two days before he was scheduled to change jobs and go to work for a competitor, a statement from Shumaker Loop said.

Subsequently, UBS falsely told Springer's clients that he was overcharging them, the statement said.

A disclosure on Springer's BrokerCheck report at FINRA said Springer was discharged after "he acknowledged that, for several years, he had caused charges on his corporate credit card to be characterized inaccurately so as to portray certain of his personal expenses as business expenses in order to get back funds set aside from his own pre-tax earnings to pay for business expenses," and that "he gave unsatisfactory answer to firm management regarding client events and the firm's non-cash compensation policy." No client accounts were harmed, the BrokerCheck report said.

The FINRA panel denied Springer's request to expunge the reason for termination on the BrokerCheck report. Springer will continue to seek to expunge the disclosure to clear his record, the statement from Shumaker Loop said.

The award "sends a strong signal that broker-dealers can no longer use these types of inappropriate tactics to retain clients," Taaffe said.

Springer has been a financial advisor at Stifel Nicolaus & Co. in Sarasota since 2014. Stifel Nicolaus is the broker-dealer subsidiary of **Stifel Financial Corp.** (NYSE: SF).

In addition to Michael Taaffe, who is team leader for Shumaker's data breach practice group and broker dealer litigation/arbitration practice administrator, Springer was represented by Jarrod Malone, a Shumaker partner in Sarasota, and Brandon Taaffe, an associate at the firm.

Margie Manning
Finance Editor

