

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

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In the Matter of the Arbitration Between:

Claimants

Douglas B. Prezzano  
Stewart W. Bosley, III  
Heinz Jaeggi  
Stefan F. Lendi  
Eric B. Miller  
Steven J. Soja  
Roger Wacker

Case Number: 19-02974

vs.

Respondent

Credit Suisse Securities (USA) LLC

Hearing Site: Los Angeles, California

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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: Associated Persons vs. Member

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

For Claimants Douglas B. Prezzano (“Prezzano”), Stewart W. Bosley, III (“Bosley”), Heinz Jaeggi (“Jaeggi”), Stefan F. Lendi (“Lendi”), Eric B. Miller (“Miller”), Steven J. Soja (“Soja”) and Roger Wacker (“Wacker”): Barry R. Lax, Esq., Lax & Neville LLP, New York, New York.

Hereinafter, Prezzano, Bosley, Jaeggi, Lendi, Miller, Soja and Wacker are collectively referred to as “Claimants”.

For Respondent Credit Suisse Securities (USA) LLC (“Respondent”): Dennis S. Ellis, Esq., Browne George Ross O'Brien Annaguey & Ellis LLP, Los Angeles, California.

**CASE INFORMATION**

Statement of Claim filed on or about: October 2, 2019.

Answer to Counterclaim filed on or about: January 31, 2020.

Prezzano signed the Submission Agreement: September 9, 2019.

Bosley signed the Submission Agreement: September 10, 2019.

Jaeggi signed the Submission Agreement: October 1, 2019.

Lendi signed the Submission Agreement: September 10, 2019.  
Miller signed the Submission Agreement: September 10, 2019.  
Soja signed the Submission Agreement: September 12, 2019.  
Wacker signed the Submission Agreement: September 10, 2019.

Statement of Answer and Counterclaim filed by Respondent on or about: January 2, 2020  
Respondent signed the Submission Agreement: January 7, 2020.

### **CASE SUMMARY**

In the Statement of Claim, Claimants asserted the following causes of action against Respondent: breach of contract; violation of New York Labor Law; violation of California Labor Code; violation of California Unfair Competition Law; breach of the implied covenant of good faith and fair dealing; fraud; unjust enrichment; and claims alleging that the Claimants' Form U5s filed by Respondent, as part of registration records maintained by the Central Registration Depository ("CRD"), are defamatory in nature. In addition, Soja asserted the following causes of action against Respondent: breach of contract; violation of New York Labor Law; violation of California Labor Code; violation of California Unfair Competition Law; and unjust enrichment.

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 following causes of action against Claimants: breach of contract (Breach of Handbook, Master Share Plan, and Operative Award Certificates); breach of fiduciary duty; unfair competition; and misappropriation of trade secrets against Claimants. In addition, Respondent asserted breach of contract (compensation overpayment) and unjust enrichment as causes of action against Prezzano, Wacker, Lendi, Jaeggi, and Soja.

Unless specifically admitted in the Answer to Counterclaim, Claimants denied the allegations made in the Counterclaim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimants requested:

1. Monetary damages equal to their unpaid earned compensation, in an amount to be proved at the hearing but not less than the amounts provided below:

- a. Deferred Compensation

i. Miller:	\$1,451,160.00
ii. Bosley:	\$1,136,687.00
iii. Prezzano:	\$1,836,405.00
iv. Wacker:	\$1,339,063.00
v. Lendi:	\$156,364.34
vi. Jaeggi:	\$156,233.34
vii. Soja:	\$647,416.00

- b. Severance

i. Miller:	\$56,538.46
ii. Bosley:	\$56,538.46
iii. Prezzano:	\$56,538.46
iv. Wacker:	\$40,384.62

- v. Lendi: \$32,307.69
- vi. Jaeggi: \$32,307.69
- vii. Soja: \$72,692.31

c. Commissions

- i. Commission miscalculation (Soja) \$TBD
  - ii. Newberger Berman Commission (Soja) \$7,500.00+;
2. Attorneys' fees and costs, including those required by the New York Labor Law;
  3. Liquidated damages in an amount equal to the unpaid deferred compensation as required by the New York Labor Law;
  4. Punitive damages in an amount equal to 30 days of Claimants' wages as required by the California Labor Code;
  5. Prejudgment interest as required by the New York Labor Law;
  6. Interest to run as required by the New York Labor Law;
  7. Amendment of Claimants' Form U5s to reflect termination for "Other – Termination without cause"; and
  8. Such other relief as the Panel deems just, equitable and proper.

In the Statement of Answer and Counterclaim, Respondent requested:

1. Full repayment of the overpayments of compensation that were advanced to Claimants in the below amounts:
  - a. Prezzano: \$68,119.00, plus applicable interest;
  - b. Wacker: \$171,144.00, plus applicable interest;
  - c. Lendi: \$20,379.00, plus applicable interest;
  - d. Jaeggi: \$20,379.00, plus applicable interest; and
  - e. Soja: \$28,711.00, plus applicable interest;
2. Damages sustained as a result of Claimants' breaches of their contractual and fiduciary obligations to Respondent;
3. Dismissal of the Statement of Claim in its entirety, with prejudice; and
4. Such other and further relief as the Panel deems just and proper.

In the Answer to Counterclaim, Claimants requested dismissal of the counterclaims in their entirety, and additionally requested the costs and attorneys' fees.

At the hearing, Claimants requested:

1. Compensatory damages in the following amounts:
  - a. Prezzano: \$1,785,673.31 (based on October 21, 2015) or \$1,679,039.51 (based on the date of departure);
  - b. Bosley: \$1,092,894.85 (based on October 21, 2015) or \$1,042,213.89 (based on the date of departure);
  - c. Miller: \$1,407,462.92 (based on October 21, 2015) or \$1,334,024.84 (based on the date of departure);
  - d. Wacker: \$1,324,376.74 (based on October 21, 2015) or \$1,234,320.94 (based on the date of departure);
  - e. Jaeggi: \$196,368.48 (based on October 21, 2015) or \$177,715.52 (based on the date of departure);
  - f. Lendi: \$196,952.61 (based on October 21, 2015) or \$178,300.21 (based on the date of departure);
  - g. Soja: \$739,981.21 (based on October 21, 2015) or \$694,510.07 (based on the date of departure);

2. Total interest in the amount of \$4,038,109.39 (based on October 21, 2015) or \$3,743,293.00 (based on the date of departure); and
3. Attorneys' fees and costs in the amount of \$1,235,779.60.

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

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

On March 26, 2021, Claimants filed a motion (1) to strike the "constructive discharge" and "mitigation" defenses in Respondent's Answer and (2) in limine to exclude documents and testimony relating to Respondent's "constructive discharge" and "mitigation" defenses ("Motion to Strike and in Limine"). On April 5, 2021, Respondent filed an opposition to the motion. On April 8, 2021, Claimants filed a reply to their motion. The Panel heard oral arguments before Claimants' case-in-chief at the recorded evidentiary hearing and denied Claimants' Motion to Strike and in Limine.

On July 15, 2021, Respondent filed a Motion for Judgment as a Matter of Law after the conclusion of Claimants' case-in-chief. On July 30, 2021, Claimants filed a response opposing the motion. On August 11, 2021, Respondent filed a reply in support of its motion. On August 25, 2021, the Panel heard oral arguments on the motion. On August 26, 2021, the Panel denied Respondent's Motion for Judgment as a Matter of Law.

On August 4, 2021, Claimants filed a motion in limine to preclude the testimony and report of Respondent's expert Bruce J. Dubinsky ("Second Motion in Limine"). On August 16, 2021, Respondent filed an opposition to the motion. On August 23, 2021, Claimants filed a reply to their Second Motion in Limine.

On August 10, 2021, Claimants filed a motion in limine to preclude Respondent's unpled defense that the Award Certificate for Prezzano's "Special PB Production ISU Awards" is the unidentified "Credit Suisse Group AG Master Plan Incentive Share Unit Award Certificate" at Respondent's Exhibit 507 and to strike Respondent's untimely defense pursuant to Rule 13308 of the Code of Arbitration Procedure ("Code") ("Third Motion in Limine"). On August 20, 2021, Respondent filed an opposition to the motion. On August 24, 2021, Claimants filed a reply in further support of their motion.

On August 25, 2021, the Panel heard oral arguments on Claimants' Second Motion in Limine and Third Motion in Limine. On August 26, 2021, the Panel denied Claimants' motions in limine.

During the recorded evidentiary hearing, after the conclusion of Respondent's case-in-chief, Claimants moved for dismissal of Respondent's Counterclaim. Respondent objected. The Panel heard arguments from the parties and denied Claimant's motion to dismiss Respondent's Counterclaim on the record at the evidentiary hearing.

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 Prezzano the sum of \$1,030,322.00 in compensatory damages.
2. Respondent is liable for and shall pay to Bosley the sum of \$985,675.00 in compensatory damages.
3. Respondent is liable for and shall pay to Jaeggi the sum of \$29,049.00 in compensatory damages.
4. Respondent is liable for and shall pay to Lendi the sum of \$29,634.00 in compensatory damages.
5. Respondent is liable for and shall pay to Miller the sum of \$1,277,486.00 in compensatory damages.
6. Respondent is liable for and shall pay to Soja the sum of \$614,318.00 in compensatory damages.
7. Respondent is liable for and shall pay to Wacker the sum of \$1,193,936.00 in compensatory damages.
8. Respondent is liable for and shall pay to each Claimant interest on the above-stated sums at the rate of 10% per annum from each individual Claimant's date of departure from Respondent through and including the date the Award is signed. Claimants' dates of departure from Respondent are as follows:
  - a. Prezzano: November 19, 2015;
  - b. Bosley: November 16, 2015;
  - c. Jaeggi: November 23, 2015;
  - d. Lendi: November 23, 2015;
  - e. Miller: November 16, 2015;
  - f. Soja: December 7, 2015; and
  - g. Wacker: November 23, 2015.
9. Respondent is liable for and shall pay to Claimants the sum of \$86,367.10 in costs.
10. Respondent is liable for and shall pay to Claimants the sum of \$1,149,412.50 in attorneys' fees pursuant to California Labor Code Section 218.5.
11. Respondent's Counterclaim is denied.
12. The Panel recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Douglas B. Prezzano's (CRD Number 2986169) Form U5 filed by Credit Suisse Securities (USA) LLC (CRD Number 816) on December 16, 2015 and

maintained by the CRD. The Reason for Termination shall be changed to "Other." The Termination Explanation shall read: "Other – Termination without cause." This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The above recommendations are made with the understanding that the registration records are not automatically amended. Prezzano must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

13. The Panel recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Stewart W. Bosley's (CRD Number 3035417) Form U5 filed by Credit Suisse Securities (USA) LLC (CRD Number 816) on December 16, 2015 and maintained by the CRD. The Reason for Termination shall be changed to "Other." The Termination Explanation shall read: "Other – Termination without cause." This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The above recommendations are made with the understanding that the registration records are not automatically amended. Bosley must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

14. The Panel recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Heinz Jaeggi's (CRD Number 4209427) Form U5 filed by Credit Suisse Securities (USA) LLC (CRD Number 816) on December 18, 2015 and maintained by the CRD. The Reason for Termination shall be changed to "Other." The Termination Explanation shall read: "Other – Termination without cause." This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The above recommendations are made with the understanding that the registration records are not automatically amended. Jaeggi must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

15. The Panel recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Stefan F. Lendi's (CRD Number 4209439) Form U5 filed by Credit Suisse Securities (USA) LLC (CRD Number 816) on December 18, 2015 and maintained by the CRD. The Reason for Termination shall be changed to "Other." The Termination Explanation shall read: "Other – Termination without cause." This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The above recommendations are made with the understanding that the registration records are not automatically amended. Lendi must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and

Disclosure Department for the amendments to be incorporated into the Registration Records.

16. The Panel recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Eric B. Miller's (CRD Number 1340803) Form U5 filed by Credit Suisse Securities (USA) LLC (CRD Number 816) on December 16, 2015 and maintained by the CRD. The Reason for Termination shall be changed to "Other." The Termination Explanation shall read: "Other – Termination without cause." This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The above recommendations are made with the understanding that the registration records are not automatically amended. Miller must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

17. The Panel recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Steven J. Soja (CRD Number 1695711) Form U5 filed by Credit Suisse Securities (USA) LLC (CRD Number 816) on December 21, 2015 and maintained by the CRD. The Reason for Termination shall be changed to "Other." The Termination Explanation shall read: "Other – Termination without cause." This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The above recommendations are made with the understanding that the registration records are not automatically amended. Soja must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

18. The Panel recommends the expungement of the Reason for Termination and Termination Explanation in Section 3 of Roger Wacker's (CRD Number 3265519) Form U5 filed by Credit Suisse Securities (USA) LLC (CRD Number 816) on December 18, 2015 and maintained by the CRD. The Reason for Termination shall be changed to "Other." The Termination Explanation shall read: "Other – Termination without cause." This directive shall apply to all references to the Reason for Termination and Termination Explanation.

The above recommendations are made with the understanding that the registration records are not automatically amended. Wacker must obtain confirmation of this Award from a court of competent jurisdiction, before the CRD will execute the expungement directive, and must forward a copy of the Court Order to FINRA's Credentialing, Registration, Education and Disclosure Department for the amendments to be incorporated into the Registration Records.

19. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, 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 Filing Fee	=\$ 2,250.00
Counterclaim Filing Fee	=\$ 2,125.00

*\*The filing fee is made up of a non-refundable and a refundable portion.*

Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4<sup>th</sup> 83 (2000) Claimants are assessed a \$200.00 initial claim filing fee. The balance of the non-refundable portion of the filing fee, in the amount of \$550.00, is assessed to Credit Suisse Securities (USA) LLC.

### 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

### Discovery-Related Motion Fees

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

Two (2) decisions on discovery-related motions on the papers with one (1) Arbitrator @ \$200.00/decision	=\$ 400.00
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Respondent submitted two (2) discovery-related motions

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Total Discovery-Related Motion Fees	=\$ 400.00
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Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4<sup>th</sup> 83 (2000), the Panel has assessed the total discovery-related motion fees to Respondent.

### Contested Motion for Issuance of Subpoena Fees

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 @ \$200.00	=\$ 200.00
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Total Contested Motion for Issuance of Subpoena Fees	=\$ 200.00
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Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4<sup>th</sup> 83 (2000), the Panel has assessed the total 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), which lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) pre-hearing sessions with a single Arbitrator @ \$450.00/session	= \$	1,350.00
Pre-Hearing Conferences: February 10, 2021	1 session	
February 16, 2021	1 session	
March 12, 2021	1 session	

Four (4) pre-hearing sessions with the Panel @ \$1,500.00/session	= \$	6,000.00
Pre-Hearing Conferences: March 13, 2020	1 session	
March 18, 2021	1 session	
August 25, 2021	2 sessions	

Seventy-eight (78) hearing sessions @ \$1,500.00/session	= \$	117,000.00
Hearings:		
April 12, 2021	2 sessions	
April 13, 2021	2 sessions	
April 14, 2021	2 sessions	
April 15, 2021	2 sessions	
April 16, 2021	2 sessions	
April 19, 2021	2 sessions	
April 20, 2021	2 sessions	
April 21, 2021	2 sessions	
April 22, 2021	2 sessions	
April 23, 2021	2 sessions	
May 3, 2021	2 sessions	
May 4, 2021	2 sessions	
May 5, 2021	2 sessions	
May 6, 2021	2 sessions	
May 7, 2021	2 sessions	
June 7, 2021	2 sessions	
June 8, 2021	2 sessions	
June 9, 2021	2 sessions	
June 10, 2021	2 sessions	
June 11, 2021	2 sessions	
June 14, 2021	2 sessions	
June 15, 2021	2 sessions	
June 16, 2021	2 sessions	
June 17, 2021	2 sessions	
June 18, 2021	2 sessions	
July 12, 2021	2 sessions	
July 13, 2021	2 sessions	
July 14, 2021	2 sessions	
July 15, 2021	2 sessions	
September 9, 2021	2 sessions	
September 10, 2021	2 sessions	
September 14, 2021	2 sessions	

September 15, 2021	2 sessions
September 17, 2021	2 sessions
September 21, 2021	2 sessions
September 22, 2021	2 sessions
October 12, 2021	2 sessions
October 15, 2021	2 sessions
October 27, 2021	2 sessions

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Total Hearing Session Fees = \$ 124,350.00

The Panel has waived \$2,625.00 in hearing session fees.

Pursuant to Armendariz v. Foundation Health Psychcare Services, Inc., 24 Cal. 4<sup>th</sup> 83 (2000), the Panel has assessed \$121,725.00 of the hearing session fees to Respondent.

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

**ARBITRATION PANEL**

Barbara M. Zak	-	Public Arbitrator, Presiding Chairperson
Cynthia Cashman Makin	-	Public Arbitrator
Marc S. Joseph	-	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**

***Barbara M. Zak***

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Barbara M. Zak  
Public Arbitrator, Presiding Chairperson

***12/23/2021***

\_\_\_\_\_  
Signature Date

***Cynthia Cashman Makin***

\_\_\_\_\_  
Cynthia Cashman Makin  
Public Arbitrator

***12/23/2021***

\_\_\_\_\_  
Signature Date

***Marc S. Joseph***

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Marc S. Joseph  
Non-Public Arbitrator

***12/23/2021***

\_\_\_\_\_  
Signature Date

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.

December 23, 2021

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