



September 9, 2019

Ex-Credit Suisse Trio Wins \$3 Million in Deferred Comp Arbitration

by [Jed Horowitz](#) | [Enforcement, News](#) | [JP MORGAN](#) |

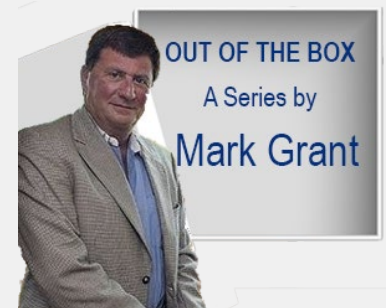
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Another group of former Credit Suisse brokers have convinced an arbitration panel to grant them money the Swiss bank allegedly owed them after it announced the closing of its U.S. brokerage operations in 2015.

Andrew Firstman,
Mark Horncastle and

Christian Cram, Atlanta-based brokers currently with J.P. Morgan Securities, collectively were awarded \$2.6 million in compensatory damages, attorneys' fees and costs, plus interest, according to a decision posted on Finra's arbitration dispute resolution site on Friday.

They are the fifth of dozens of former Credit Suisse teams that have successfully won deferred compensation that the Swiss bank withheld. Lawyers argued that accelerated vesting clauses in their clients' compensation contracts were triggered because the brokers were essentially terminated involuntarily when it decided to shutter its U.S. business.

Credit Suisse, which is [attempting to vacate](#) at least three awards totaling almost \$11 million, had argued that its former brokers could have received their deferred money if they had joined Wells Fargo Advisors, the firm with which it negotiated a broker-transfer package in exchange for referral fees. They also said that paying the unvested money to brokers who left for other firms would violate industry standards because their new employers compensated them for money left behind.

"Credit Suisse is fully committed to vigorously defending against each and every case that seeks unjust double compensation or otherwise seeks to paint individuals who 'hit the lottery' as 'victims,' spokesman Jonathan Schwarzberg said in an e-mailed statement. "In most of these cases, the claimants are improperly attempting to be paid the same dollar twice."

He declined to comment on whether Credit Suisse will seek to vacate Friday's award from the three arbitrators, but said the Swiss bank "firmly believes that the decision manifestly disregarded binding legal requirements."



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Sep 24, 2019

Credit Suisse has not won a deferred comp case, but bank officials have said dozens of former "relationship managers" have dropped claims, without commenting on whether monetary settlements were reached. The Swiss bank in the past year also has won three arbitration awards for promissory-note balances brokers owed on so-called forgivable loans.

The three brokers in the most recent case requested a total of \$4.99 million in compensatory damages, interest, lawyers' fees and costs. Credit Suisse had counterclaimed for \$114,225 in compensatory damages and alleged overpayments to the brokers, an amount the arbitrators denied in its entirety.

"We are extremely pleased with this over \$3 million award which represents 100% of the deferred compensation Credit Suisse owes our clients plus interest, attorneys' fees and costs," said Ross Inetelisano, a partner at the New York firm of Rich, Intelisano & Katz, which represented the Atlanta brokers.

Firstman, the most senior member of the Atlanta team, was awarded \$1.01 million of the \$1.1 million of deferred comp he sought in his initial claim, Horncastle was granted \$660,000 of his \$590,000 claim and Cram \$85,000 of his initial \$35,000 claim. The brokers also initially sought \$840,000 of "unpaid revenue trailers."

The arbitration award document did not explain the makeup of the compensatory damages, other than to say that the \$1.7 million included interest of 7% accumulated from October 20, 2015 until the September 6, 2019 date of the award. The arbitrators, two of whom are classified as representing the public and one of whom is an "industry" representative, also awarded \$719,000 of attorneys' fees, which the lawyers had calculated at \$1.21 million during an evidentiary hearing, according to the award document.

Adding some salt to Credit Suisse's hurt, the arbitrators ordered the bank to pay the entire \$37,575 of hearing fees accumulated by the two parties over 34 sessions, \$1,200 of their discovery-related motion fees and the \$375 non-refundable filing fee the brokers paid.

The brokers did not respond to requests for comment.



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They joined J.P. Morgan Securities in Atlanta in November 2015, according to their BrokerCheck records. Firstman at the time had worked at Credit Suisse and predecessor Donaldson, Lufkin & Jenrette for about 19 of his 29 years as a registered rep, while Horncastle and Cram had been with the firms for all 17 and 15 years of their respective careers up to the date of their departures.



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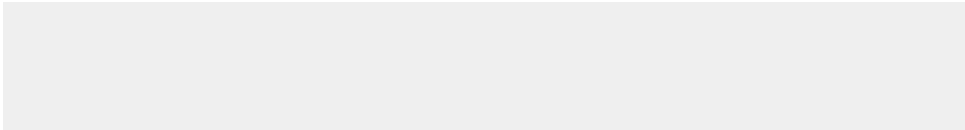


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