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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

Andrew Michael Lawrence,

Petitioner,

v.

Raymond James Financial Services, Inc.,

Respondent.

Civil Action No.

**VERIFIED PETITION TO  
VACATE ARBITRATION  
AWARD**

**Preliminary Statement**

1. Petitioner Andrew Michael Lawrence, (the "Petitioner,") by and through his undersigned counsel, submits this Verified Petition to Vacate Arbitration Award, and, based on the Memorandum of Law in Support of Verified Petition to Vacate Arbitration Award, filed contemporaneously, respectfully prays that the Court vacate the arbitration award, "the Award," dated June 21, 2018 and served on June 22, 2018.

**Parties**

2. Petitioner is an individual who resides, and had residency at all relevant times relating to the issues of this Petition to Vacate, at 3509 20th Ave Ct SE, Puyallup, Washington 98372.

3. Respondent Raymond James Financial Services, Inc. (the “Respondent” or “Raymond James”) is, upon information and belief, a Florida corporation and is a registered broker-dealer with the U.S. Securities and Exchange Commission and is a member firm of the Financial Industry Regulatory Authority (“FINRA”).

#### **Jurisdiction and Venue**

4. This Court has jurisdiction based on the Parties’ diversity of citizenship.

5. Petitioner is an individual and a resident of Puyallup, Washington and is an affiliated person pursuant to FINRA rules.

6. Respondent Raymond James is, upon information and belief, a Florida corporation with offices located in 630 Fifth Avenue, 45 Rockefeller Center, Suite 2950A, New York, New York 10111, is a registered broker-dealer with the U.S. Securities and Exchange Commission and is a member firm of FINRA.

7. The amount in controversy exceeds \$75,000, pursuant to the Award.

8. Venue is proper, as, on information and belief, Respondent maintains an office in New York County.

#### **Background**

9. Respondent in this matter filed its Statement of Claim (the “SOC) through FINRA on or about March 2, 2018.

10. Respondent sought damages of One Hundred Thirty-Four Thousand Two Hundred Seventeen Dollars Sixty-Three Cents (\$134,217.63).

11. The underlying arbitration was captioned *Raymond James Financial Services, Inc. v. Andrew Michael Lawrence*.

12. The underlying arbitration was assigned FINRA Case No.: 18-00802 (the "FINRA Arbitration").

13. The subject matter of the FINRA Arbitration related to the terms of a Promissory Note and Note Modification entered into by Respondent and Petitioner.

14. A copy of the Promissory Note and Financial Advisor (FA) Agreement are annexed hereto as Exhibit "A" and Exhibit "B," respectively.

15. FINRA allegedly attempted service of the SOC on Petitioner by mailing the SOC to the address of 3509 20th Ave Ct SE, Puyallup, Washington 98372.

16. Petitioner did not receive service of process of the FINRA arbitration.

17. Petitioner did not receive the SOC.

18. Petitioner did not file an Answer to the SOC because Petitioner was never served with a copy of the SOC.

19. Petitioner did not file an Answer to the SOC because Petitioner did not receive the SOC.

20. Petitioner did not participate in the arbitration because Petitioner was never served with a copy of the SOC.

21. Petitioner did not participate in the arbitration because Petitioner did not receive the SOC.

22. Petitioner was only served with the Notification of Arbitrator by certified mail on May 21, 2018.

23. Petitioner received no other Notices from FINRA and did not receive any discovery or hearing submissions from Respondent, and did not receive a copy of the award in the underlying arbitration.

24. Upon information and belief, all other correspondence from FINRA and counsel for Raymond James was mailed via regular mail, in contravention of FINRA rules.

25. Petitioner did not have Notice of the Proceeding in time to File an Answer, present counterclaims, or defend himself at a hearing, as Petitioner did not receive service of process in a timely fashion.

FINRA procedure on the service of an associate person states that:

“The Director will serve the Claim Notification Letter on an associated person directly at the person's residential address or usual place of abode. If service cannot be completed at the person's residential address or usual place of abode, the Director will serve the Claim Notification Letter on the associated person at the person's business address.” FINRA §12301. Service on Associated Persons (a).

26. FINRA Regulatory Notice 17-03 elaborates on the process to be used for service by the Director and is annexed hereto as Exhibit “C,” and which states in relevant part on page 3 as follows:

**Serving Documents**

**Initial Statement of Claim**

FINRA staff will serve the initial statement of claim. FINRA will serve respondents that are not identified as customers with a Claim Notification Letter. The term “Claim Notification Letter” means the notice provided to respondents that they have been named as a party in a statement of claim. The Claim Notification Letter provides information about accessing the Party Portal to obtain a copy of the statement of claim filed by the claimants and information about the arbitration, including the hearing location selected by the Director and the deadline for filing a statement of answer. If a respondent does not access the Party Portal and view the statement of claim, FINRA staff will contact the respondent and ask if the respondent received the Claim Notification Letter. If the respondent indicates that he or she did not receive the Claim Notification Letter, FINRA staff

will offer to serve the statement of claim in another manner such as by email or regular mail to afford the respondent an additional opportunity to receive the statement of claim. The transmission will include instructions on how to access the Party Portal. (Emphasis added).

27. A review of the Award in the FINRA Arbitration reflects that FINRA allegedly sent the Claim Notification Letter, which includes the SOC, to the Petitioner via Regular Mail, which is in contradiction of the methodology set forth in the FINRA rules and Notice 17-03.

28. Petitioner swears under oath that he never received service, or a copy of the SOC. See Affidavit of Andrew Lawrence.

29. By failing to properly ensure service of process, the Arbitrator made the award in clear disregard of the law pursuant to the provisions of the Federal Arbitration Act (the "FAA").

30. An Arbitrator who acts in the clear disregard of the law exceeds his or her authority.

31. An award rendered by an Arbitrator who acts in the clear disregard of the law violates the FAA.

32. The Award rendered by the sole Arbitrator on or about June 20, 2018 against Petitioner in the FINRA Arbitration violated provisions of the FAA relating to manifest disregard of law.

### **Respondent's Claim**

33. Respondent is claiming that Petitioner, a former employee of Respondent, has failed to honor Loan Terms and Financial Advisor Agreements.

### **The Arbitration Award**

34. The case was heard by summary procedure through the FINRA offices in Las Angeles, California.

35. On or about June 20, 2018, Joseph C. Roberts, the sole arbitrator, rendered an award against Petitioner in the amount of One Hundred Thirty-Four Thousand Two Hundred Seventeen Dollars and Sixty-Three Cents (\$134,217.63) plus interest of 10% from September 25, 2017 through June 7, 2018. A copy of the Award is annexed as Exhibit "D" hereto.

#### **Reasons to Vacate the Award**

36. The Petitioner had no notice of the arbitration proceedings and was not served with process pursuant to FINRA §12301. Service on Associated Persons (a), and Regulatory Notice 17-03.

37. By failure to adhere to FINRA §12301. Service on Associated Persons (a), and Regulatory Notice 17-03, the Award rendered on or about June 20, 2018 against Petitioner in the FINRA Arbitration violated provisions of the FAA relating to manifest disregard of law.

#### **Conclusion**

38. Petitioner herein had no knowledge of the claim. FINRA's failure to serve notice on the Petitioner was the reason. The award should be vacated as the arbiter exceeded his authority due to FINRA's numerous failures to serve process properly pursuant to FINRA §12301. Service on Associated Persons (a) and Regulatory Notice 17-03. Such a failure was a manifest disregard of the law. Given that FINRA failed to follow the agreement set forth between the parties in violation of the FAA, any such decision would render any decision that resulted from the arbiters exceeding their powers under the contract subject to being vacated by this Court. See, Encyclopaedia Universalis S.A. at 92. See, also, Avis at 23. Given the failure to follow the parties' agreement, the arbitrator breached the arbitration contract. Therefore, the award should be vacated.

WHEREFORE, Petitioner seeks an Order as follows:

- a. vacating the Award, and

- b. granting such other relief as the Court deems just and proper.

Dated: New York, New York  
July 23, 2018

Respectfully submitted,

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