

NEWS Arbitration

Investors win \$975,000 in Finra arbitration involving UBS YES product



Their attorney, Jeffrey Erez, said they were misled by UBS brokers who didn't understand the risky product.

June 24, 2022 *By Mark Schoeff Jr.*



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An attorney for former UBS customers who claim they were harmed by a high-risk options product the firm sold them is on a roll after winning a third Finra arbitration case this week.

A three-person Financial Industry Regulatory Authority Inc. arbitration panel ordered UBS Financial Services Inc. to pay \$975,606 to two investors and an investment firm for losses they suffered in investments in the UBS Yield Enhancement Strategy, known as YES, [according to the June 22 award.](#)

The claimants — Jacques Andre Soileau, Jennifer Beth Plauche Soileau and Nexgen Investments — asserted negligent supervision, fraud and breach of contract, among other causes of action. The three public Finra arbitrators unanimously ruled that UBS was liable, awarding the customers \$687,403 in compensatory damages and prejudgment interest, \$58,644 in costs and \$229,134 in attorneys' fees.

"It was a resounding win," said the Soileaus' attorney, Jeff Erez, founder of Erez Law. "It left no doubt [arbitrators] believe the claimants were taken advantage of by UBS."

A UBS spokesperson declined to comment.

The Soileaus, who live in Eunice, Louisiana, invested in YES through brokers in a UBS office in Houston in late 2017. They filed their arbitration claim in December 2020.

The YES product is based on a strategy of borrowing against a client's account and using the proceeds to invest in options to generate higher returns.

Erez said YES was sold to the Soileaus as a low-risk investment but in fact, it exposed them to much risk. He asserted during the arbitration hearings that UBS brokers were misled by other UBS employees pitching YES. The brokers, who had no grasp of the product, then turned around and made unsuitable recommendations to the Soileaus.

Erez made similar arguments in two other successful arbitration claims against UBS over the last two months. In one case, his [clients won \\$3.9 million](#) and in [another \\$1.5 million](#). It's [three wins](#) in front of three different arbitrator panels.

"This is not a fluke," Erez said. "I believe we are proving in this case, and others, that the UBS advisers did not understand the product. That is why arbitrators are accepting our claims."


But UBS also has claimed arbitration victories in cases centered on the YES product. For instance, arbitrators denied claims made by two investors, [according to a June 1 award](#). Overall, there have been almost two dozen YES arbitrations, with UBS and claimants winning about half each.

There are sure to be more YES rulings in coming weeks and months. The arbitration process just concluded in another of Erez's cases, and a decision is pending. He has about 16 more in the pipeline. There are likely many others being pursued by other attorneys.

"At the end of the day, clients should not bear the losses incurred by wrongdoing of employees of UBS," Erez said.

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