

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Kyle Blackmon

Case Number: 25-00141

vs.

Respondents
UBS Financial Services Inc.
and UBS Securities LLC

Hearing Site: Boca Raton, Florida

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: Customer vs. Members

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimant Kyle Blackmon (“Claimant”): Robert Wayne Pearce, Esq. and Adam Kara-Lopez, Esq., Robert Wayne Pearce, P.A., Boca Raton, Florida.

For Respondents UBS Financial Services Inc. (“UBS”) and UBS Securities LLC (“UBS Securities”), hereinafter collectively referred to as “Respondents”: Joseph Serino, Jr., Esq. and Youlan Xiu, Esq., Latham & Watkins, LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: January 21, 2025.

Claimant signed the Submission Agreement: January 22, 2025.

Statement of Answer filed by Respondents on or about: April 30, 2025.

Respondents signed the Submission Agreement: April 30, 2025.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of fiduciary duties; intentional and negligent misrepresentations; breach of brokerage account agreements to follow Security Exchange Commission Regulation “Best Interest” and FINRA Code of Conduct; negligence; violation of Regulation “Best Interest” (“Reg.-BI”) and FINRA Rules 2010, 2020, and 2210; violation of the suitability rule; failure to supervise; violation of FINRA Rules 3260 (f/k/a 2510); negligence; and respondeat superior and/or principles of actual, apparent,

implied agency. The causes of action related to Respondents' recommendations and management of Claimant's portfolio, including but not limited to Claimant's unexercised stock options and shares in Compass Inc., before, during and after the Compass initial public offering.

Unless specifically admitted in the Statement of Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

At the hearing, Claimant requested \$19,696,897.00 in compensatory damages.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested all compensatory damages permitted under common law in an amount to be determined by the Panel, including compensation for economic damages and emotional distress injury, interest at the legal rate on his claim, and/or punitive damages in an amount to be determined by the Panel, and all other costs and expenses, including expert witness fees, FINRA fees, and all other expenses incurred, as a result of having to file and prosecute this arbitration proceeding.

In the Statement of Answer, Respondents requested that any and all claims referenced in Claimant's Statement of Claim or at any point in this arbitration action be denied in their entirety; and an Award in favor of Respondents, together with defense costs and such other and further relief as the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

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

On January 22, 2026, the parties filed with FINRA Dispute Resolution a joint stipulation to proceed with the final hearing dates as scheduled with two arbitrators, Nancy Cliff and Agapija Cruz, as the only members of the Panel whose decision shall be final and binding as stated in the Award.

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. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$5,375,000.00 in compensatory damages.
2. Respondents are jointly and severally liable for and shall pay to Claimant interest on the sum of \$3,275,000.00 at the rate of 5% per annum from January 20, 2023, through and including January 26, 2026.

3. Respondents are jointly and severally liable for and shall pay to Claimant interest on the sum of \$2,100,000.00 at the rate of 5% per annum from September 13, 2024, through and including January 26, 2026.
4. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$125,000.00 in costs.
5. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, treble damages, and attorneys' fees, are denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 2,000.00
--------------------------	---------------

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

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 parties, Respondents are each assessed the following:

Member Surcharge	= \$ 2,600.00
Member Process Fee	= \$ 5,005.00

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:

One (1) pre-hearing session with a single Arbitrator @ \$675.00/session Pre-Hearing Conference: October 7, 2025	1 session	= \$ 675.00
--	-----------	-------------

One (1) pre-hearing session with the Panel @ \$1,725.00/session Pre-Hearing Conference: May 30, 2025	1 session	= \$ 1,725.00
---	-----------	---------------

Seventeen (17) hearing sessions @ \$1,725.00/session	= \$ 29,325.00
Hearings:	
January 26, 2026	2 sessions
January 27, 2026	2 sessions
January 28, 2026	2 sessions
January 29, 2026	2 sessions
January 30, 2026	2 sessions
February 2, 2026	2 sessions
February 3, 2026	2 sessions

February 4, 2026	2 sessions
February 5, 2026	1 session

Total Hearing Session Fees	=\$ 31,725.00
----------------------------	---------------

The Panel has assessed \$1,200.00 of the hearing session fees to Claimant.

The Panel has assessed \$30,525.00 of the hearing session fees jointly and severally to Respondents.

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

ARBITRATION PANEL

Nancy J. Cliff - Public Arbitrator, Presiding Chairperson
Agapija Cruz - 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

Nancy J. Cliff

Nancy J. Cliff
Public Arbitrator, Presiding Chairperson

02/11/2026

Signature Date

Agapija Cruz

Agapija Cruz Public Arbitrator

02/11/2026

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.

February 11, 2026

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