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UBS Financial Services Inc.

UBS FINANCIAL SERVICES INC.,

Plaintiff,

vs.

DOUGLAS JONATHAN FREW,

Defendant.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
MONMOUTH COUNTY

DOCKET NO: MON-C-

CIVIL ACTION

**VERIFIED COMPLAINT FOR
TEMPORARY AND PRELIMINARY
INJUNCTIVE RELIEF**

Plaintiff UBS Financial Services Inc. (“UBS”), by its undersigned attorneys Riker Danzig LLP, hereby brings the following Complaint for temporary and preliminary injunctive relief against Defendant Douglas Jonathan Frew (“Defendant” or “Frew”) and alleges as follows:

INTRODUCTION

1. This case arises from Defendant’s sudden and abrupt resignation from employment with UBS and improper solicitation of UBS clients. As set forth herein, Defendant egregiously violated his duties of loyalty as well as his non-solicitation and confidentiality agreements in order to try and move a significant amount of client assets that he was introduced to only because of his employment at UBS to his new firm BroadFront Capital Management (“BroadFront”).

2. Defendant joined UBS in May 2014 as a wealth planning analyst. During his employment at UBS, Defendant was promoted to financial advisor and later partnered as a junior advisor on a team with a more senior and experienced UBS financial advisor, Jason Feder (“Feder”). Defendant and Feder (collectively, the “Team”) managed roughly \$900 million in client assets. Feder introduced the overwhelming majority of the Team’s clients and the Team’s assets under management. Defendant on the other hand, introduced a modest number of the Team’s clients and the Team’s assets under management.

3. Defendant, having been introduced to Feder’s significant and valuable UBS client relationships, voluntarily and abruptly resigned from UBS on September 17, 2024 and transferred his securities industry licenses to FINRA Member Firm LPL Financial LLC (“LPL Financial”).

4. Now, in blatant disregard for his duty of loyalty, contractual agreements, UBS firm policies, and the law, Defendant is attempting to move UBS clients and their significant assets to a competitor firm, BroadFront. Indeed, Defendant decided to leave the Team at UBS and take the Team’s clients, including the relationships not introduced by him, which are legally, equitably, and practically not his to take.

5. Leaving nothing to chance, Defendant spent the days leading up to his resignation working on behalf of BroadFront and LPL Financial while still employed at UBS by sending key documents to UBS clients, including comprehensive UBS client financial plans and summary reports of UBS clients’ accounts, that would enable Defendant to seamlessly replicate the UBS clients’ investment accounts at BroadFront as quickly as possible after he resigned from UBS.

6. Defendant was and is subject to multiple agreements prohibiting him from soliciting UBS client accounts which he learned of during his employment by UBS, and was further explicitly prohibited from misappropriating and/or using UBS confidential information following his resignation from UBS.

7. In connection with his team relationship with Feder, Defendant entered into a UBS Financial Advisor Team Agreement (the “Team Agreement”) which contains explicit contractual non-solicitation obligations. A copy of the Defendant’s Team Agreement is attached to the Affidavit of Michele Madsen (“Madsen Aff”) as Exhibit B.

8. Likewise, at the commencement of his employment at UBS in May 2014, Defendant received and executed an Offer Letter from UBS (the “Offer Letter”). Pursuant to the terms of the Offer Letter, Defendant agreed during his employment and for a period of twelve (12) months from the termination of his employment with UBS to not directly or indirectly solicit or interfere with any UBS client relationships of any UBS entity that Defendant either performed work for, supervised or actively solicited work from for the 12 months prior to the termination of his employment. Defendant further agreed to not ask UBS clients to transfer any account or to open any new account with Defendant’s new employer or to discontinue the client’s business relationship with UBS. A copy of the Defendant’s Offer Letter is attached to the Affidavit of Michele Madsen (“Madsen Aff”) as Exhibit A.

9. By the Offer Letter, Defendant further acknowledged that as a UBS employee he would have access to UBS’s confidential and proprietary information and valued client relationships and expressly agreed to take reasonable and necessary steps to protect such information in the event Defendant determined to resign from UBS, including by providing UBS with 30-days notice upon resignation. Defendant failed to provide UBS with the requisite notice.

10. Rather, the day before his resignation, Defendant approached Michele Madsen, Branch Office Manager for the UBS Red Bank branch office location (“BOM Madsen”), and asked how clients of the Team would be handled in the event of a Team split, and what would happen with regard to the accounts subject to the Team Agreement if he were to join another team within UBS. In response, BOM Madsen reminded Defendant – consistent with the terms of the Team

Agreement – that only those clients introduced to the team by Defendant could be transitioned to the new team within UBS. Defendant was not pleased with the response, insisting instead that he should be entitled to those accounts of the Team that he services but did not introduce to the Team, thus demonstrating his intentions to solicit Feder’s clients following his resignation.

11. Despite the express reminder from his manager at UBS, Defendant has entirely disregarded his legal duties and contractual obligations, and has solicited clients introduced to the Team by others.

12. Indeed, immediately following his resignation, Defendant began soliciting UBS clients, including clients not introduced to the Team by him, to transfer their accounts to Defendant’s new employer, BroadFront. Defendant’s ongoing and rampant solicitation of UBS clients is in direct violation of his legal duties and contractual obligations, and his apparent misappropriation and misuse of highly confidential client information and other proprietary UBS information to carry out the improper solicitations has caused tremendous harm to UBS. Defendant had access to personal and confidential information regarding hundreds of UBS clients, with roughly \$900 million in assets under management at UBS.

13. Indeed, at least one UBS client indicated that Defendant contacted her after his resignation roughly ten (10) times from his personal cell phone, causing the UBS client significant concern about the status and security of her assets and accounts at UBS, and further evidencing that Defendant maintained UBS client information on his personal cell phone. See Madsen Aff. at ¶ 27.

14. Another client advised UBS that Defendant showed up at her home, and told her that she “needed” to immediately execute documents to transfer her accounts to him at BroadFront. The client subsequently informed UBS of the encounter and that, among other things, she was upset and felt Defendant “took advantage of her”. See Madsen Aff. at ¶ 29.

15. Upon information and belief, Defendant has been using confidential UBS information to solicit other UBS clients, whose confidential information Defendant improperly retained after his resignation. This sensitive information was entrusted to UBS with the expectation that it would be maintained confidential.

16. Furthermore, Defendant's brazen conduct, which has caused justifiable fear and concern among clients, is improper and detrimental to the goodwill UBS has established with its clients over many years, and is causing irreparable injury to its business.

17. UBS has attempted to secure Defendant's voluntary compliance prior to filing this complaint but has been met with evasion.

18. Immediately following Defendant's resignation, UBS sent numerous correspondences to Defendant seeking his compliance with his post-employment non-solicitation and confidentiality obligations owed to UBS, including a Reminder of Obligations letter sent on September 17, 2024, a Cease and Desist letter sent on September 18, 2024, and a letter to counsel for LPL Financial on September 20, 2024, who in turn assured UBS that Defendant's conduct would be "addressed". See Madsen Aff. at ¶¶ 40-42, Exhibits E-G.

19. Thereafter, on September 20, 2024, counsel for Defendant responded to UBS's several correspondences, asserting that he "has been in compliance with" his obligations to UBS, and would "continue to comply". Defendant's counsel did not specifically respond to, or deny that Defendant is in possession of UBS confidential information. See Madsen Aff. at ¶43, Exhibit H.

20. However, contrary to the hollow assurances by Defendant's counsel, it was only four days later that Defendant appeared at the home of a UBS client asserting that she "needed" to execute transfer paperwork, causing fear and confusion.

21. Defendant's improper solicitation of UBS clients, including clients not introduced to the Team by him, is rampant, continuing, and ongoing, and Defendant has failed and/or refused to return confidential information in his possession.

22. Accordingly, UBS brings this action to enforce Defendant's contractual promises and legal duties, to protect its customers, goodwill, and confidential information, and to prevent irreparable injury to its business.

23. Even though the merits of this dispute are subject to mandatory arbitration before the Financial Industry Regulatory Authority ("FINRA"), under Rule 13804 of the FINRA Code of Arbitration Procedure, UBS has the express right to seek temporary injunctive relief in this Court. In accordance with Rule 13804(a)(2) of the FINRA Code, simultaneous with the filing of its motion for interim injunctive relief in this Court, UBS filed its claim for permanent injunctive relief with FINRA.

24. It is vital to note that Defendant expressly agreed to the issuance of injunctive relief in his Offer Letter in order to enforce his non-solicitation and confidentiality obligations.

25. If this Court grants temporary restraints and/or a preliminary injunction, under FINRA Rule 13804, a FINRA panel of arbitrators will convene a hearing on permanent injunctive relief within only 15 days. In contrast, absent such relief, a hearing before FINRA will not occur for at least 9-12 months and Defendant will be free to continue violating his duties and obligations with impunity, inflicting further irreparable harm on UBS and violating the privacy rights of non-party clients.

THE PARTIES

26. Plaintiff UBS Financial Services Inc. is a member organization of the Financial Industry Regulatory Authority ("FINRA") and is a Delaware corporation licensed and qualified to do

business as a broker-dealer in the State of New Jersey, with a principal place of business located at 1000 Harbor Boulevard, Weehawken, New Jersey 07086.

27. Defendant Douglas Jonathan Frew is a former UBS employee who, upon information and belief, resides at 36 Park Avenue, Hazlet, NJ 07730.

28. UBS business records reflect that Defendant began his employment with UBS as a wealth planning analyst in May 2014.

29. At the time of Defendant's voluntary resignation from UBS, Defendant was employed as a financial advisor in UBS's branch office location in Red Bank, New Jersey (the "Red Bank" office).

JURISDICTION AND VENUE

30. This Court has subject matter jurisdiction over this dispute because Plaintiff and Defendant transact business in Monmouth County.

31. This Court has personal jurisdiction over Defendant because Defendant resides and transacts business in Monmouth County, and Defendant committed the alleged acts in the State of New Jersey, Monmouth County.

32. Venue is proper because Monmouth County is where the actions have occurred, and Plaintiff and Defendant transact business in Monmouth County.

33. The merits of this dispute are subject to mandatory arbitration before FINRA. However, under Rule 13804 of the FINRA Code of Arbitration Procedure and the parties' agreements, UBS is exercising its right to seek preliminary injunctive relief in this Court. In compliance with the FINRA Code, UBS has simultaneously filed a Statement of Claim with FINRA against Defendant.

BACKGROUND

A. Defendant's Former Employment With UBS

34. UBS is a securities broker-dealer and commodities futures commission merchant throughout the United States and a FINRA member firm.

35. From May 2014 until his resignation on September 17, 2024, Defendant was employed by UBS working at the UBS Red Bank Office, initially serving as a wealth planning analyst and later serving in the role of financial advisor by the time of his voluntary resignation.

36. Defendant worked with Feder as a financial advisor Team, known as Feder Frew Wealth Management, which managed approximately \$900 million in assets for UBS clients. In the twelve months prior to his resignation, Defendant was credited with generating gross revenues of \$436,242, almost all of which was derived from clients he did not introduce to the Team.

B. Defendant Has Non-Solicitation and Confidentiality Agreements with UBS

37. Throughout his employment with UBS, Defendant executed multiple agreements containing provisions mandating the non-solicitation of UBS clients and the confidentiality of UBS client information.

38. One such agreement is Defendant's UBS Offer Letter, executed by Defendant on or about May 2, 2014, which contains a one year non-solicitation agreement, requires Defendant to provide 30-day notice upon resignation to protect confidential information, and states in pertinent part:

H. Non-Solicitation:

...

2. You acknowledge that you will be partnering with UBS Financial Advisors to provide Planning and related services to clients serviced by such Financial Advisors and that you will be provided with access to such clients, as well as access to confidential, proprietary and trade secret information during your employment. You therefore acknowledge and agree that during your employment, and for a period of 12 months from the termination date

of your employment for whatever reason, you will not directly or indirectly solicit or interfere with any of the clients or client relationships of any UBS Group entity that you either performed work for, supervised or actively solicited work from during the 12 months prior to the termination of your employment or whose name became known to you during your employment. Your agreement 'not to solicit' includes but is not limited to your agreement not to ask such UBS Group clients to transfer any account from the UBS Group to you or your new employer; to open a new account with you or your new employer; or to discontinue its business relationship with the UBS Group.

...

I. Notice of Termination/Recovery of Costs.

1. You understand and agree that you will have access to the Firm's confidential and proprietary information and valued client relationships (collectively the 'Information'). You recognize and agree that it is reasonable and necessary to protect the Firm's Information and to provide a smooth transition if you choose to leave the Firm. Consequently, you agree to provide the Firm with 30 days' prior written notice of your intent to terminate your employment with the Firm (the 'Notice Period').

See Madsen Aff. at ¶ 15, Exhibit A.

39. Additionally, during his UBS employment and in connection with joining the Team, Defendant entered into the Team Agreement, wherein he explicitly agreed to not solicit UBS clients serviced by the Team.

40. The Team Agreement contains a one-year non-solicitation agreement which provides in pertinent part:

If the employment of any Team Member (current or former) terminates for any reason, that Team member will not, for a period of one year from the employment termination date, solicit any clients that were serviced by the Team. **This provision does not apply to client accounts the departing Team member introduced to the Team, either at its inception or during its existence.**

See Madsen Aff. at ¶ 16, Exhibit B.

41. Further, under no circumstances was Defendant permitted to retain or use any client information.

42. Throughout his decade of employment with UBS, Defendant repeatedly acknowledged the confidentiality of information concerning UBS's clients. Defendant was provided and required to comply with all firm policies and procedures, including UBS's Code of Conduct and Investment Advisor Code of Ethics ("the Code of Conduct"). Defendant's agreement to comply with UBS's policies and procedures, including the Code of Conduct and other policies designed to ensure the confidentiality and security of UBS's confidential client and business information, was a condition of his continued employment with UBS. The Code of Conduct section entitled "Privacy/Confidential Client, Employee and Firm Information" states, in relevant part, as follows:

5. Privacy/Confidential Client and Firm Information

Firm or client information generally may only be used for the specific purpose for which it was created or obtained; any other use without the permission of the source may be a misuse. This obligation continues even after an employee leaves the Firm. Your ability to share Firm or client information within and outside the Firm is governed by both internal policies and procedures, and by Federal and State regulations. The policies and procedures set forth below set a minimum standard; your business unit or position may require additional, and in some instances more restrictive, procedures.

Generally, you may only disclose such information within the Firm to employees who have a need to know it to carry out the Firm's business and sharing with affiliates or unaffiliated third parties is strictly limited. Under no circumstances may you disclose Firm or client information to anyone should it appear likely that he or she would misuse the information.

Information may be contained in Firm documents, computer programs, databases, client lists, trading strategies and analytic models. You should assume that all non-public or unpublished information is confidential. Upon the termination of your UBS Financial Services Inc. employment, you may not retain or take with you any Firm property or assets, including any documents or other records that contain client information, or any other Firm confidential information.

Each Firm employee acknowledges that if he or she violates any aspect of this section, the Firm will suffer immediate and irreparable harm for which monetary damages would provide only partial and inadequate relief. Each Firm employee agrees that he or she may be subject to an injunction or other

equitable remedy in the event that he or she violates the provisions of the UBS Financial Services Inc. Code of Conduct pertaining to confidential Firm and client information.

5.1. Client Information and Privacy

Our clients, both individual and institutional, entrust us not only with their financial assets but also with confidential information. It is essential that the Firm's clients know that personal information they entrust to us will be handled with integrity and discretion. Accordingly, all information concerning Firm clients, former clients and prospective clients (CID) must be classified and treated as strictly confidential and must not be disclosed to anyone outside the Firm unless the disclosure is expressly authorized by the client; required by law, rule, regulation or legal process; or specifically allowed by the Firm's privacy policies...

See Madsen Aff., at ¶ 17, Exhibit D.

43. Defendant repeatedly acknowledged his obligations, both during and after his employment with UBS, to maintain the confidentiality of UBS's client and business information.

44. Defendant and all UBS advisors were required to annually certify that they fully complied with and adhered to firm policies, including those contained in UBS's Code of Conduct, as well as the laws, rules, and regulations that govern or are otherwise applicable to the financial services industry.

45. Each UBS financial advisor's access to information concerning UBS clients is limited to those clients whose accounts are serviced by that financial advisor. In order to gain access to client information through UBS's computer system, each financial advisor must use his or her confidential password. The system is designed so that one financial advisor cannot gain access to information concerning clients serviced by other financial advisors without having access to their computer password (unless special clearance has been given, and the necessary arrangements were made).

46. UBS's customer base is the lifeblood of its business. UBS spends millions of dollars each year on national and local advertising. UBS also spends millions of dollars more each year

for: (a) sales support staff; (b) clearing services, operations personnel, systems, and support; (c) management and compliance supervision; (d) salaries; (e) annual registration fees; (f) computer services and equipment, phone systems, and mail handling facilities; (g) securities research and the publication of literature concerning securities and investments; (h) investment seminars and promotional events; (i) subscriptions to trade, professional and news publications; and (j) the retention of experts in tax, employee, and health benefits, insurance, real estate, underwriting, and numerous other sub-specialties. UBS incurs these many and substantial expenditures for the specific purpose of attracting and maintaining a loyal client base, and in order to establish and maintain customer goodwill.

C. Defendant's Resignation From UBS

47. On September 17, 2024, Defendant abruptly resigned from UBS, without providing any prior notice.

48. That same day, September 17, 2024, Defendant became affiliated with BroadFront Capital Management LLC in Holmdel, New Jersey. Defendant simultaneously transferred his securities industry licenses to LPL Financial.

49. As noted above, Defendant was subject to written agreements at the time of his resignations from UBS prohibiting him from (a) soliciting certain UBS clients for a period of twelve months; and (b) possessing, disclosing, or using any confidential UBS client information. Defendant was also subject to confidentiality obligations per UBS's policies, to which he agreed to adhere.

D. Defendant's Wrongful Conduct

Pre-Resignation

50. Defendant's wrongful conduct began while he was still employed by UBS, as Defendant began mailing UBS clients comprehensive financial plans, which contain all the

information relating to the UBS client accounts necessary for opening a new account with a competitor. On information and belief, Defendant did this to allow himself to replicate the clients' investment accounts at BroadFront as quickly as possible after his resignation.

51. Defendant also, while still employed at UBS, began sending UBS clients summary reports of their accounts at UBS. This again was done, upon information and belief, to facilitate Defendant's ability to quickly open and replicate the clients' investment accounts at BroadFront immediately following his resignation.

52. On September 16, 2024, the day before his resignation, Defendant approached BOM Madsen for information regarding the manner in which clients serviced by the Team would be divided in the event of a Team split. Indeed, Defendant asked BOM Madsen what happens with regard to the accounts subject to the Team Agreement if he were to join another team within UBS. In response, BOM Madsen advised Defendant – consistent with the terms of the Team Agreement – that only those UBS clients introduced to the team by Frew could be transitioned to the new team within UBS. Defendant was not pleased with the response, insisting instead that he should be entitled to client accounts serviced by the Team, that he did not introduce to the Team.

53. Unhappy that UBS would not permit him to solicit or take clients introduced to the Team by someone else, Defendant began taking steps to resign and solicit those clients to move their assets to his new firm.

Post-Resignation

54. Following his resignation from UBS, Defendant has aggressively solicited UBS clients, including but not limited to those not introduced to the Team by Defendant, to transfer their accounts to BroadFront.

55. Notwithstanding his obligations pursuant to the Offer Letter and the UBS Code of Conduct, which prohibited him from retaining any UBS client information after the termination of

his employment, Defendant immediately began contacting the UBS clients serviced by the Team at UBS to solicit them using his personal cell phone.

56. One such example involves a client not introduced to the Team by Defendant, who contacted UBS after receiving **roughly ten (10) phone calls from Defendant's personal cell phone on September 18, 2024**. The client, who was vacationing on a cruise at the time, did not answer Defendant's repeated calls, and instead contacted the UBS Red Bank office as soon as she was able. The UBS client informed UBS that she was concerned about the status and security of her accounts at UBS and thought that her accounts may have been "lost" in light of the frantic attempts by Defendant to contact her.

57. In another example, on September 18, 2024, a UBS client not introduced to the Team by Defendant advised UBS that he had received a call from Defendant.

58. In yet another example, on September 20, 2024, a client not introduced to the Team by Defendant advised that, on September 19, 2024, her husband had been contacted by Defendant.

59. The foregoing contacts are a plain attempt by Defendant to solicit clients in violation of the non-solicitation provisions of the Team Agreement, the Offer Letter, and the other agreements he entered into with UBS.

60. On Friday September 20, 2024 alone, UBS received three transfer requests for clients not introduced to the Team by Defendant to transfer their accounts away from UBS and to Defendant and BroadFront.

61. Most alarmingly, on September 24, 2024, UBS was informed by a client not introduced to the Team by Defendant, who is homebound because of serious health issues, that Defendant came to her home with hard copy account transfer documents and told her she "needed" to execute them. The client subsequently contacted UBS extremely upset, advised that she felt

like Defendant took advantage of her, did not want to transfer her accounts to Defendant and/or BroadFront, and asked to have the transfer immediately rescinded.

62. More generally, UBS employees have reported that UBS clients have disclosed that they received phone calls and other contacts from Defendant following his resignation from UBS to join BroadFront.

63. Indeed, Defendant sent a mailing to numerous clients, including clients that he did not introduce to the Team, to “announce” his affiliation with BroadFront and plainly designed to solicit those relationships in violation of Defendant’s Offer Letter and Team Agreement which expressly prohibit any such solicitation.

64. Based on all of the above, it is readily apparent that Defendant has contacted and solicited, and will continue to contact and solicit, UBS clients unless ordered not to do so by this Court.

Misappropriation of UBS Client Information

65. UBS’s investigation also revealed evidence showing Defendant misappropriated, has in his possession, and/or has misused confidential UBS client information.

66. Specifically, as detailed above, the client solicited by Defendant during her vacation advised UBS that Defendant had been attempting to contact her using his personal cell phone. Such contacts evidence that Defendant maintained UBS confidential client information on his personal cell phone, in violation of his obligations to UBS.

67. Any and all UBS confidential client information must be immediately returned to UBS.

E. UBS’s Efforts to Secure Defendant’s Cooperation and Compliance

68. As stated above, UBS has attempted to secure Defendant’s voluntary compliance prior to filing this complaint but has been met with evasion.

69. Indeed, on September 17, 2024, immediately following his resignation, UBS through counsel provided Defendant with a Reminder of Obligations letter, setting forth in writing Defendant's post-employment non-solicitation and confidentiality obligations owed to UBS. By the Reminder of Obligations Letter, UBS also demanded the immediate return of any UBS property or confidential information. See Madsen Aff. at ¶ 40, Exhibit E.

70. Upon learning of Defendant's continued aggressive solicitation of UBS clients, including clients not introduced to the Team by Defendant, on September 18, 2024, UBS through counsel sent Defendant a Cease and Desist letter again reminding him of his post-employment obligations owed to UBS. UBS again demanded that Defendant immediately return to UBS any and all UBS confidential information in his possession. See Madsen Aff. at ¶ 41, Exhibit F.

71. Without receiving any meaningful response from Defendant, on September 19, 2024, UBS through counsel contacted internal counsel for LPL Financial, the firm Defendant transferred his securities industry licenses to, who assured UBS that Defendant's conduct would be "addressed". See Madsen Aff. at ¶ 42, Exhibit G.

72. Thereafter, on September 20, 2024, counsel for Defendant responded to UBS's several correspondences, asserting that Defendant "has been in compliance with" his obligations to UBS and would "continue to comply". Defendant's counsel did not specifically deny or even respond to allegations that Defendant possesses UBS confidential information. See Madsen Aff. at ¶ 43, Exhibit H.

73. However, contrary to the representations by Defendant's counsel, Defendant's violative conduct detailed above continued. Indeed, it was just four days later, on September 24, 2024, that Defendant appeared at the home of a UBS client asserting that she "needed" to execute transfer paperwork, causing her to feel "taken advantage of" by Defendant.

74. Notwithstanding UBS's efforts, Defendant's violations of his post-employment non-solicitation and confidentiality obligations have continued, and confidential information plainly in Defendant's possession has not been returned.

F. Account Transfers to Defendant at BroadFront

75. UBS has already sustained damages in the form of UBS client account transfers to BroadFront as a result of the above-described wrongful conduct by Defendant.

76. Account transfer requests are processed by an industry system known as the Automated Customer Account Transfer Service system ("ACATS"). In order to initiate an electronic account transfer via the ACATS system, clients must execute written account transfer paperwork authorizing the transfer.

77. The account transfers began almost immediately after Defendant's resignation, presumably because of his active pre-solicitation of the clients. By September 27, 2024 (just a little over a week after Defendant's resignation), UBS had received 33 ACATS requests comprising \$15.33 million in securities transfer requests to BroadFront for UBS clients formerly serviced by Defendant and/or the Team.

78. Further, among the transfers, UBS has already received notice that multiple UBS clients not introduced to the Team by Defendant, representing millions of dollars in assets under management at UBS, are transferring to Defendant at his new firm.

79. UBS continues to receive additional transfer requests each day, including two ACATS requests today, September 30, 2024.

FIRST CLAIM FOR RELIEF
(Breach of Contract – Non-Solicitation of Clients)

80. UBS repeats and realleges each and every allegation contained in Paragraphs 1 through 79 of the Complaint as though fully set forth herein.

81. Each agreement containing a non-solicitation covenant and confidentiality obligation signed by Defendant is valid and enforceable.

82. Defendant violated his non-solicitation covenants and confidentiality obligations with UBS, the provisions of which are set forth above, by soliciting, servicing and/or otherwise interfering with UBS's relationships with its clients.

83. Defendant violated his non-solicitation covenants and confidentiality obligations with UBS as set forth in the Offer Letter and Team Agreement, the provisions of which are set forth above, by soliciting, servicing and/or otherwise interfering with UBS's relationships with UBS clients.

84. All of the agreements containing non-solicitation covenants were supported by adequate consideration and contain reasonable post-employment restrictions that are necessary to protect UBS's legitimate business interests and customer goodwill.

85. UBS fully performed its obligations under the agreements containing non-solicitation covenants.

86. As a direct and proximate result of Defendant's breaches of the non-solicitation agreements, UBS has suffered and will continue to suffer extensive irreparable injury, loss of goodwill, harm to its business, and other injury and damages for which there is no adequate remedy at law.

87. Upon information and belief, Defendant is continuing to violate his non-solicitation agreements and, unless enjoined by this Court, he will continue to do so.

88. Accordingly, in addition to damages, UBS is entitled to an injunction prohibiting Defendant from violating his non-solicitation agreements.

SECOND CLAIM FOR RELIEF
(Breach of Contract – Confidential Information)

89. UBS repeats and realleges each and every allegation contained in Paragraphs 1 through 88 of the Complaint as if fully set forth herein.

90. Each agreement containing a confidentiality covenant signed by Defendant is valid and enforceable.

91. Under the confidentiality covenants, Defendant was and is prohibited from directly or indirectly using, maintaining, taking, or disclosing UBS's Confidential Information, as the term is defined in the agreements set forth above, except as required to carry out his duties as an employee of UBS.

92. Under the Code of Conduct, Defendant was and is prohibited from directly or indirectly using, disseminating or disclosing UBS's Confidential Information, including but not limited to such information concerning UBS's former, current and prospective clients.

93. Under the confidentiality covenants and the Code of Conduct, Defendant was prohibited from retaining or taking with him upon and following the termination of his UBS employment any UBS property or assets, including but not limited to UBS's Confidential Information.

94. Defendant violated his confidentiality/non-disclosure provisions of the Offer Letter, the provisions of which are set forth above, by retaining UBS confidential client information after his resignation and using that information to solicit UBS clients including specifically the UBS client accounts not introduced to the Team by Defendant.

95. Upon information and belief, Defendant has retained, failed to return, used or disclosed, or threatened to use or disclose, UBS's Confidential Information in violation of his Confidentiality covenants and obligations.

96. UBS fully performed its obligations under the agreements set forth above, which contain confidentiality covenants and obligations.

97. As a direct and proximate result of Defendant's breaches of his confidentiality covenants and obligations, UBS has suffered and will continue to suffer extensive irreparable injury, loss of goodwill, harm to its business, and other injury and damages for which there is no adequate remedy at law. UBS will continue to suffer this harm unless and until Defendant is restrained from his current conduct and is compelled to abide by the terms of the confidentiality covenants and obligations.

98. As a direct and proximate result of Defendant's breaches of his confidentiality covenants and obligations, UBS has suffered and will continue to suffer additional damages, which continue to accrue in the form of lost business and attorneys' fees and costs related to this litigation.

THIRD CLAIM FOR RELIEF
(Breach of Duty of Loyalty/Fiduciary Duty)

99. UBS repeats and realleges each and every allegation contained in Paragraphs 1 through 98 of the Complaint as if fully set forth herein.

100. Defendant was employed by UBS in a position of trust and confidence.

101. By virtue of his position as a financial advisor at UBS, Defendant owed a fiduciary duty and a duty of loyalty to UBS both during and after his employment and was obligated not to divert UBS's business in which UBS had a tangible expectancy, and not to subvert or misappropriate UBS's Confidential Information.

102. Defendant breached his fiduciary duty and duty of loyalty owed to UBS by directly or indirectly soliciting and/or diverting UBS's clients and business opportunities, in which it had a tangible expectancy, to BroadFront, a direct competitor, and/or subverting or misappropriating UBS's Confidential Information and Trade Secrets.

103. As a direct and proximate result of Defendant's breaches of his fiduciary duty and duty of loyalty, UBS has suffered and will continue to suffer extensive irreparable injury, loss of goodwill, harm to its business, and other injury and damages for which there is no adequate remedy at law. UBS will continue to suffer this harm unless and until Defendant is restrained from taking further actions in breach of his fiduciary duty and duty of loyalty to UBS.

104. As a direct and proximate result of Defendant's breaches of his fiduciary duty and duty of loyalty, UBS has suffered and will continue to suffer additional damages, which continue to accrue in the form of attorneys' fees and costs related to this litigation and the FINRA arbitration, and lost business in an amount to be proven at the FINRA arbitration.

105. Defendant committed the foregoing actions knowingly, willfully and in conscious disregard of UBS's rights.

FOURTH CLAIM FOR RELIEF
(Tortious Interference with Existing and Prospective Business Relationships)

106. UBS repeats and realleges each and every allegation contained in Paragraphs 1 through 105 of the Complaint as if fully set forth herein.

107. As a result of Defendant's employment with UBS, Defendant was intimately familiar with, and had detailed knowledge concerning, the business relationships that existed between UBS and certain clients.

108. Defendant intentionally, with malice, and without privilege or justification, interfered with UBS's business relationships with certain clients using unfair or improper means, and/or with the intent to interfere with such relationships.

109. UBS possesses a protectable interest in its contracts and relations with its clients, in that it has a reasonable expectation of their continued association with UBS.

110. Defendant's conduct was undertaken with malice, or in knowing disregard of or indifference to, the rights and interests of UBS.

111. As a direct and proximate result of Defendant's interference, UBS suffered and will continue to suffer extensive irreparable injury, loss of goodwill, harm to its business, and other injury and damages for which there is no adequate remedy at law.

112. UBS will suffer this harm unless and until Defendant is restrained from his current and intended conduct.

113. As a direct and proximate result of Defendant's interference, UBS suffered and will continue to suffer damages, which continue to accrue in the form of lost business.

114. Defendant committed the foregoing actions knowingly, willfully and in conscious disregard of UBS's rights.

FIFTH CLAIM FOR RELIEF
(Misappropriation of Confidential Information)

115. UBS repeats and realleges each and every allegation contained in Paragraphs 1 through 114 of the Complaint as if fully set forth herein.

116. As an employee of UBS, Defendant learned or had access to UBS's Confidential Information.

117. Upon information and belief, Defendant used or disclosed, or threatened to use or disclose, UBS's Confidential Information.

118. Upon information and belief, Defendant is presently misappropriating UBS's Confidential Information, and using such information to the detriment of UBS.

119. As a direct and proximate result of Defendant's conduct, UBS has suffered and will continue to suffer extensive irreparable injury, loss of goodwill, harm to its business, and other injury and damages for which there is no adequate remedy at law. UBS will suffer this harm unless and until Defendant is restrained from his current and intended conduct.

WHEREFORE, UBS demands judgment for preliminary injunctive relief pending a FINRA arbitration in accordance with Rule 13804 of the FINRA Code of Arbitration of Arbitration Procedure, as follows:

A. Enjoining and restraining, until further Order of this Court or of a FINRA arbitration panel, Defendant and any person or entity acting on his behalf and/or in concert with him, including but not limited to individuals currently employed by BroadFront, from soliciting or interfering with any of the clients, prospective clients, or client relationships of UBS that Defendant and or the Team performed work for, supervised, or actively solicited work from during the 12 months prior to September 17, 2024 or whose names became known to Defendant during his UBS employment;

B. Enjoining and restraining, until further Order of this Court or of a FINRA arbitration panel, Defendant and any person or entity acting on his behalf and/or in concert with him, including but not limited to individuals currently employed by BroadFront, from directly or indirectly soliciting for the purpose of inviting, encouraging or requesting, or that may have the effect of inviting, encouraging or requesting, any UBS clients or potential clients that Defendant and/or the Team performed work for, supervised, or actively solicited work from during the 12 months prior to September 17, 2024 or whose names became known to Defendant during his UBS employment to: (i) engage in a business relationship with Defendant; (ii) engage in business relationship with other employees of BroadFront; or (iii) otherwise discontinue a business relationship with UBS;

C. Enjoining and restraining Defendant and any person or entity acting on his behalf and/or in concert with Defendant, including but not limited to individuals currently employed by BroadFront, from directly or indirectly:

- i. breaching Defendant's confidentiality obligations under his agreements with UBS;
- ii. using, disclosing and/or disseminating any of UBS's confidential information, proprietary information and/or trade secrets; and/or
- iii. assisting, requesting or encouraging others to do the acts specified in paragraphs C(i)-(ii);

D. Directing Defendant to return any and all originals and copies of documents, communications and electronic data containing UBS's confidential information, proprietary information and/or trade secrets;

E. Enjoining Defendant, and any person or entity acting in concert with Defendant, from taking any other actions in violation of any of Defendant's contractual obligations and common law duties owed to UBS;

F. Granting UBS such other and further relief as the Court may deem just and proper.

RIKER DANZIG LLP
Attorneys for Plaintiff
UBS Financial Services Inc.



By: _____
Anthony J. Borrelli

Dated: September 30, 2024

CERTIFICATION

I hereby certify pursuant to R. 4:5-1 that this matter is the subject of mandatory arbitration before the Financial Industry Regulatory Authority (“FINRA”) under Rule 13804 of the FINRA Code of Arbitration Procedure, that UBS has the express right to seek temporary injunctive relief in this Court, and that, in accordance with Rule 13804(a)(2) of the FINRA Code, simultaneous with the filing of its motion for interim injunctive relief in this Court, UBS filed its claim for permanent injunctive relief with FINRA; that, subject to the forgoing, this matter is not the subject of any other action pending in any court or arbitration proceeding; that no other action or arbitration proceeding is contemplated; and that we are not presently aware of other parties who should be joined in this action.

RIKER DANZIG LLP
Attorneys for Plaintiff
UBS Financial Services Inc.



By: _____
Anthony J. Borrelli

Dated: September 30, 2024

DESIGNATION OF TRIAL COUNSEL

Anthony J. Borrelli, Esq. is hereby designated as trial counsel pursuant to R. 4:25-4.

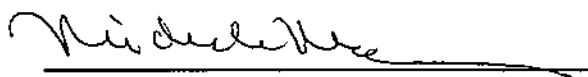
VERIFYING CERTIFICATION

I, Michele Madsen, of full age, certify as follows:

1. I am the Market Director for the Red Bank office of Plaintiff UBS Financial Services Inc.

2. I have read the Verified Complaint to which this Verifying Certification is attached and the factual allegations set forth therein are true based on my personal knowledge unless expressly stated to be based upon information and belief.

3. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.



Dated: September 30, 2024

CERTIFICATION OF SERVICE

I hereby certify that the Verified Complaint has been E-filed with the clerk of the captioned court and served on counsel for Defendant via Federal Express and electronic mail at Palmeric.B@wsslip.com.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

RIKER DANZIG LLP
Attorneys for Plaintiff
UBS Financial Services Inc.



By: _____
Anthony J. Borrelli

Dated: September 30, 2024