

Morgan Stanley loses \$4.2M arbitration to an ex-NFL player and a lottery winner

By Andrew Welsch

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An arbitration panel ordered Morgan Stanley to pay former NFL cornerback Asante Samuel and Mega Millions lottery winner James Groves approximately \$4.2 million over allegations of negligent supervision.

It's the latest case related to the conduct of barred advisor Aaron Parthemer, who ran a high profile practice in Southern Florida that catered to NBA and NFL players.

He invested some of his clients' money in a Miami Beach nightclub he had an ownership stake in and engaged in other outside business activities that later caught regulators' attention. Parthemer also owned a tequila promotion business and sent complimentary gift baskets of the liquor to several NFL and NBA teams, [according to FINRA disciplinary records](#).

FINRA [barred Parthemer](#) in 2015 for allegedly engaging in outside business activities without firm approval; loaning his clients \$399,000 against firm policy; getting eight clients to invest \$3 million in private securities transactions; and providing false information to his employers and FINRA. The [SEC followed suit last year](#), barring Parthemer and penalizing him \$160,000.

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Ex-NFL player, Mega Millions winner press \$7.8M claims against Morgan Stanley

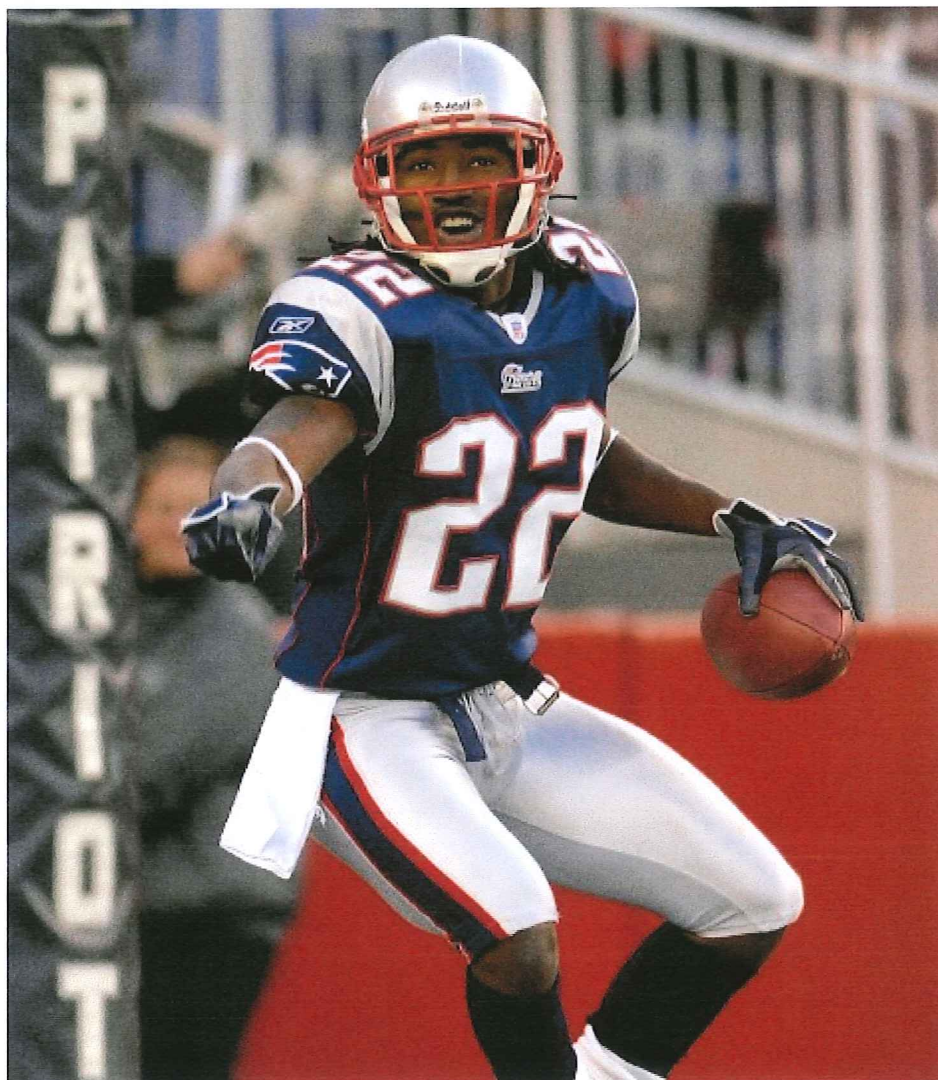
As in other arbitration cases related to Parthemer's conduct, Samuel and Groves's accusations centered on investments he made with their funds in the Miami Beach

nightclub, Club Play. The club later failed and investors lost almost all of the funds they invested, according to the clients' attorneys.

"Morgan Stanley knew he was down there running the club and management did nothing about it because he was a big producer," attorney Curtis Carlson said in a statement.

Samuel and Groves were represented by Curtis and his son Chase Carlson of Carlson & Associates in Miami as well as attorney Matt Johnson of Dowd Bennett in Denver.

"We believe the award reflects and underscores the utter failure to supervise by Morgan Stanley and it demonstrates the improper activities it condoned and failed to properly address," Johnson said in a statement.





Asante Samuel, seen here playing for the New England Patriots during their AFC wild card playoff game against the New York Jets in 2007, was a cornerback for several NFL teams from 2003 to 2013.

Bloomberg News

Samuel and Groves filed their arbitration case in 2016 and originally included Wells Fargo, where Parthemer worked from 2011 to 2015. He had been an advisor at Morgan Stanley and predecessor firm Smith Barney from 2006 to 2011, according to BrokerCheck records.

They originally sought approximately \$7.8 million in damages, according to a copy of the arbitration award. Samuel and Groves reached settlements with Wells Fargo in 2017.

A spokeswoman for Morgan Stanley declined to comment on the case. A Wells Fargo spokeswoman was not available for immediate comment.

This is the second time that Curtis and Chase Carlson have represented former clients of Parthemer against Morgan Stanley in arbitration and won. In 2016, [an arbitration panel ordered Morgan Stanley](#) to pay \$608,300 to former NBA player Keyon Dooling and \$206,000 to former NFL player John St. Clair. Both men accused the firm of negligent supervision.

Curtis and Chase Carlson also represent two other former Parthemer clients in a pending arbitration case against Morgan Stanley.

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