

PRESS RELEASE

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MORGAN STANLEY OWES \$4.2 MILLION TO FORMER PROFESSIONAL ATHLETE AND A MEGA MILLIONS LOTTERY WINNER

FINRA arbitration panel finds Morgan Stanley negligently supervised
Financial Advisor who put clients' money into Miami Beach hip-hop nightclub.

On December 26, 2018, FINRA released an arbitration award against Morgan Stanley awarding \$3,332,000 to James Groves, a Mega Millions lottery winner, and \$879,000 to Asante Samuel, who retired in 2013 from the NFL after an 11-year career with the New England Patriots, Philadelphia Eagles, and Atlanta Falcons.

Groves and Samuel were guided in their investments by Morgan Stanley financial advisor Aaron Parthemer, who is now barred from the securities industry for his activities relating to inducing his clients to purchase investments away from Morgan Stanley and managing Club Play, a hip-hop nightclub located in Miami Beach, Florida, where investors lost almost all of the funds they invested. Parthemer represented to the public that he was the owner of the Club while he was running it on a day-to-day basis until it failed.

Groves and Samuels were represented by Matt Johnson of Dowd Bennett, LLP in Denver, Colorado and Curtis Carlson and Chase Carlson of Carlson & Associates in Miami, Florida.

“The main point of the case was that Morgan Stanley knew he was down there running the Club and management did nothing about it because he was a big producer,” said Curtis Carlson, one of the attorneys who represented Groves and Samuel. Matt Johnson of Dowd Bennett added, “We believe the award reflects and underscores the utter failure to supervise by Morgan Stanley and it demonstrates the improper activities Morgan Stanley condoned and failed to properly address.” Chase Carlson said, “This is another unfortunate situation of a professional athlete and lottery winner being taken advantage of by an unethical financial advisor. We are thankful that we were able to represent and fight for them.”

The arbitration hearings were held over six days in October and November. James Groves said, “Asante Samuel and I appreciate the arbitrators' hard work during the arbitration and we are thankful for return of our lost investments that Morgan Stanley recommended.”

This is the second arbitration award against Morgan Stanley for Parthemer's activities in investing his professional athletes' funds in outside investments. In 2016, an arbitration panel awarded \$608,300 to Keyon Dooling, a former NBA player with the Miami Heat and other teams, and \$206,000 to John St. Clair, a former Miami Dolphin. Dooling and St. Clair were represented by Curtis Carlson and Chase Carlson in that case as well.

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