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UBS Ordered to Pay \$4.3M Over Puerto Rico Bonds Case.

UBS Financial Services must pay \$4.3 million more to claimants who lost money in Puerto Rico bonds, InvestmentNews writes.

In an arbitration award decided Friday a Finra dispute resolution panel ruled UBS must pay compensatory damages and costs to the family and relatives of Jacobo and Raquel Bender, according to the publication. The Benders, who allege negligent supervision and fraud, among other charges, had bought Puerto Rico bonds, some of which were underwritten by UBS, as well as proprietary closed-end funds whose investment focus were also Puerto Rico bonds, according to the award cited by InvestmentNews.

The market for Puerto Rico's municipal bonds collapsed in 2013, the publication writes. UBS has since lost several arbitration claims arising from the losses in the bonds and closed-end funds brought by investors, according to InvestmentNews.

Last year, UBS lost a \$4.4 million claim and another worth \$9 million, the publication writes.

Just how many claims there are out there related to the Puerto Rico bonds is perhaps best demonstrated by the BrokerCheck record of the Benders' broker at UBS.

The family's lawyer tells InvestmentNews that its broker was Ramon Almonte — who has 183 disclosures on his record, most of which are tied to the sales of the bonds, according to the publication.

The Benders were seeking \$1 million to \$5 million in damages, and the \$4.3 million award "represents the complete return of the family's loss of capital," Jeffrey Erez, the family's lawyer, tells InvestmentNews.

"This was a great award," he says, according to the publication. "When an arbitration panel gives the claimants an award like this, they basically are rejecting every argument made by UBS during the hearings."

A UBS spokeswoman tells the publication in an email that the firm disagrees with the decision but considers it important to note that the Benders were awarded less than they sought. Almonte, who's currently a managing director UBS Financial Services Inc. of Puerto Rico, didn't return InvestmentNews' call for comment.

To read the *InvestmentNews* article cited in this story, [click here](#).

Financial Advisor

By Alex Padalka

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