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WEALTH ADVISER

Goldman Sachs Ordered to Pay Sacked Advisers More Than \$7.5 Million

Firm Considering Motion to Vacate Award



ASSOCIATED PRESS

By *Matthias Rieker*

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Goldman Sachs Group Inc.'s [GS -0.12%](#) ▼ brokerage unit has to pay two former financial advisers more than \$7.5 million for wrongly firing them and withholding their bonuses, an arbitration panel has ruled.

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Christopher Zigmund Barra and Luis Miguel Sampedro, who worked together at Goldman Sachs & Co. in California, said they were sacked as a team in 2007 because Mr. Barra spent time away from Goldman to serve in the military.

Messrs. Barra and Sampedro now work at UBS AG's wealth-management business in Los Angeles. But after they were dismissed from Goldman Sachs, they lost about 40% of the \$600 million in assets they had managed, according to their lawyer, Rogge Dunn.

A Financial Industry Regulatory Authority Inc. arbitration panel last week awarded them \$5.2 million in compensation with interest. The panel also ordered Goldman to pay the two men \$2 million in punitive damages plus interest, and \$300,000 in legal fees.

In addition, the panel awarded Mr. Barra \$100,000 plus interest for violating the Uniformed Services Employment and Re-Employment Rights Act.

“When you take action against somebody who defends the country, that has consequences,” said Mr. Dunn, of Clouse Dunn LLP in Dallas.

Punitive damages are rare, particularly in wrongful discharge cases, and if they are awarded they usually go to a harmed client. As is customary, the arbitration panel didn’t give a reason for its decision.

Messrs. Barra and Sampedro had met when they were in Goldman’s training program in 1998, their lawyer said. “They were an inseparable team,” Mr. Dunn said.

Mr. Barra had served in combat duty in Iraq during Operation Desert Storm in 1991 before he joined Goldman. Later, he volunteered to serve in the Army Reserve after the Sept. 11, 2001 terrorist attacks. He was sent back to Iraq and saw combat duty.

In their claim, the two say their manager at Goldman expressed anger over Mr. Barra’s military duties and the team subsequently started to get bad performance reviews.

After they were fired, Goldman withheld their deferred compensation because the firm forfeits brokers’ bonuses if they go to work for a competitor, according to the team’s claim.

Goldman denied the charges, according to Finra documents. The firm said it fired the two for poor performance.

“We vigorously dispute the plaintiffs’ legal counsel calling our treatment of veterans into question,” a Goldman spokesman said. “We do not believe that the law or the record remotely supports the finding on liability or the amount of damages awarded.”

The firm is considering a motion to vacate the award, he said.

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