

# Darryl Cohen Customers: KlaymanToskes Pursues \$1 Million Recovery Following Cohen's Arrest Over Pro-Athlete Fraud Scheme

*Barred Morgan Stanley Broker Darryl M. Cohen Arrested for Fraud*

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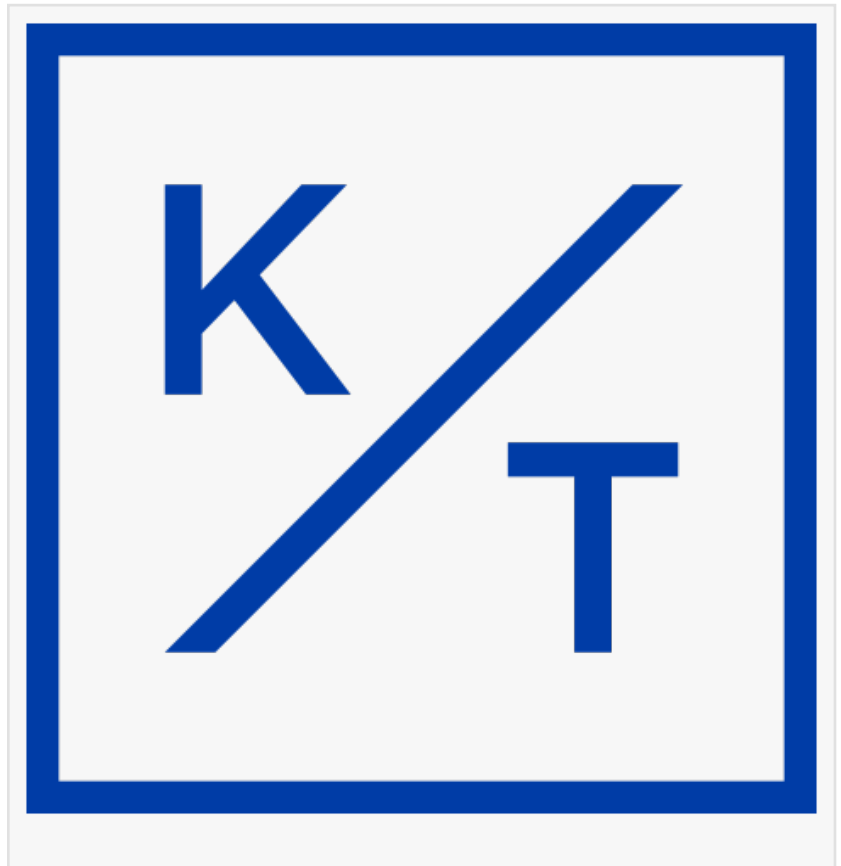
[KlaymanToskes](#) announces the filing of FINRA arbitration case no. 23-00709 on the behalf of a former NFL player's ex-wife. The lawsuit against Morgan Stanley seeks up to \$1 million in recovery for investment losses suffered at the hands of barred broker [Darryl M. Cohen](#). The filing comes after Cohen's arrest earlier today for a \$13 million scheme to defraud professional athletes.

The claim alleges that when Cohen left his prior firm (Wells Fargo) to join

Morgan Stanley, he failed to follow the terms of his agreement with his customer, and opened a line of credit in her name, using her brokerage account as collateral. The customer repeatedly asked Cohen to remove her name from the line of credit and was advised that he would do so. Withdrawals were then made from the line of credit by Cohen and her husband, without her knowledge.

During the Coronavirus pandemic in March 2020, as a result of the substantial decline in the securities markets, a margin call was triggered on the account. To satisfy the call, without the customer's knowledge or consent, Morgan Stanley sold all of the customer's mutual funds leaving her account wiped-out. Had Cohen and Morgan Stanley removed the customer's name and account from the line of credit, the securities would not have been sold.

The claim filing follows Darryl Cohen's arrest today in connection with his role in a \$13 million



scheme to defraud four professional basketball players, along with his co-defendants, Brian Gilder, Charles Briscoe, and Calvin Darden, Jr.

Cohen was previously barred from acting as a broker by the Financial Industry Regulatory Authority in February 2022 after he allegedly failed to cooperate with the regulator's investigation into his misconduct. KlaymanToskes has continued their investigation of Cohen since he left the industry and has been contacted by multiple Darryl Cohen customers alleging damages.

Investors that suffered significant losses at the hands of Darryl M. Cohen or Morgan Stanley are encouraged to contact [Lawrence L. Klayman, Esq.](mailto:lklayman@klaymantoskes.com) immediately at (888) 997-9956 or [lklayman@klaymantoskes.com](mailto:lklayman@klaymantoskes.com) for a free, confidential consultation to discuss legal options. We do not collect attorney's fees unless we are able to obtain a financial recovery for you.

### About KlaymanToskes

KlaymanToskes is a leading national securities law firm which practices exclusively in the field of securities arbitration on behalf of retail and institutional investors throughout the world in large and complex securities matters. The firm has recovered over \$250 million in FINRA arbitrations and over \$350 million in other securities litigation matters. KlaymanToskes has office locations in California, Florida, New York, and Puerto Rico.

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