

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Mamdoh Aziz Abas

Case Number: 19-01231

vs.

Respondent
Cetera Advisor Networks LLC

Hearing Site: Los Angeles, California

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Associated Person vs. Member

The evidentiary hearing was conducted partially by videoconference.

REPRESENTATION OF PARTIES

For Claimant Mamdoh Aziz Abas (“Claimant”): Darren Veracruz, Esq., Veracruz Law, Santa Ana, California.

For Respondent Cetera Advisor Networks LLC (“Respondent”): Chad Weaver, Esq., Freeman Mathis & Gary, LLP., Seal Beach, California.

CASE INFORMATION

Statement of Claim filed on or about: May 2, 2019.

Answer to Counterclaim filed on or about: August 21, 2019.

Claimant signed the Submission Agreement: May 2, 2019.

Statement of Answer and Counterclaim filed by Respondent on or about: July 31, 2019.

Respondent signed the Submission Agreement: August 1, 2019.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of contract; violation of Business and Professions Code Section 17200; common count for unjust enrichment; and intentional interference with prospective economic advantage. The causes of action relate to Claimant’s employment with Respondent and alleged wrongdoing regarding a block transfer of Claimant’s clients’ investment accounts.

Unless specifically admitted in the Statement of Answer and Counterclaim, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Respondent asserted a cause of action for breach of a promissory note ("Note"). Respondent alleged that the remaining balance of the Note became immediately due and payable upon Claimant's termination of employment with Respondent.

Unless specifically admitted in the Answer to Counterclaim, Claimant denied the allegations made in the Counterclaim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Compensatory damages in an amount to be determined by the Panel;
2. Costs;
3. Interest;
4. Attorney's fees; and
5. Punitive damages.

In the Statement of Answer and Counterclaim, Respondent requested:

1. Claimant take nothing by way of his Statement of Claim;
2. Dismissal of Claimant's claims with prejudice;
3. Forum fees be assessed to Claimant;
4. Respondent be awarded the full remaining balance of the Note between Respondent and Claimant, including interest and any fees and cost incurred and that may be incurred in the future in attempts to collect the full balance of the Note; and
5. For such other and further relief as the Panel deems just and proper.

In the Answer to Counterclaim, Claimant requested:

1. Respondent's Answer and Counterclaim be dismissed with costs;
2. Claimant be granted the relief requested in the Statement of Claim; and
3. For such and further relief as the Panel may determine to be just and proper.

At the hearing, Claimant requested \$9,000,000.00 and Respondent requested \$31,357.80 plus 10% interest on \$21,407.01 beginning November 1, 2021.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

On June 24, 2021, Respondent filed a Motion to Compel and Request for Discovery Sanctions ("Motion for Discovery Sanctions"). On July 6, 2021, Claimant filed its opposition to Respondent's Motion for Discovery Sanctions. On July 12, 2021, Respondent filed its reply in Support of Discovery Sanctions. By Order dated July 28, 2021, the Panel ordered Claimant to pay Respondent sanctions in the amount of \$3,825.00 by August 11, 2021.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are denied in their entirety.
2. Claimant is liable for and shall pay to Respondent the sum of \$31,357.80 in compensatory damages.
3. Claimant is liable for and shall pay to Respondent interest on the sum of \$21,407.01 at the rate of 10% per annum beginning November 1, 2021 until and including the date the award is paid in full.
4. Claimant is liable for and shall pay to Respondent the sum of \$4,050.00 in Attorney's fees pursuant to the terms of the Note.
5. Claimant is liable for and shall pay to Respondent the sum of \$1,050.00 in costs.
6. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages are denied.

FEES

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Claim Filing Fee	=\$ 1,575.00
Counterclaim Filing Fee	=\$ 1,050.00

**The filing fee is made up of a non-refundable and a refundable portion.*

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	=\$ 1,900.00
Member Process Fee	=\$ 3,750.00

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers with the Panel @ \$600.00/decision	=\$ 600.00
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Respondent submitted One (1) discovery-related motion

Total Discovery-Related Motion Fees	= \$	600.00
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The Panel has assessed the total discovery-related motion fees to Claimant.

Contested Motion for Issuance of Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) decision on a contested motion for the issuance of a subpoena with one Arbitrator @ \$200.00	= \$	200.00
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Total Contested Motion for Issuance of Subpoena Fees	= \$	200.00
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The Panel has assessed the total contested motion for issuance of subpoena to Claimant.

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrator(s), including a pre-hearing conference with the Arbitrator(s), which lasts four (4) hours or less. Fees associated with these proceedings are

Four (4) pre-hearing sessions with the Panel @ \$1,125.00/session	= \$	4,500.00
Pre-Hearing Conferences: August 21, 2019	1 session	
July 10, 2020	1 session	
December 11, 2020	1 session	
October 4, 2021	1 session	

Seven (7) hearing sessions @ \$1,125.00/session	= \$	7,875.00
Hearings: November 1, 2021	1 session	
November 2, 2021	2 sessions	
November 3, 2021	2 sessions	
November 4, 2021	2 sessions	

Total Hearing Session Fees	= \$	12,375.00
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The Panel has assessed \$10,125.00 of the hearing session fees to Claimant.

The Panel has waived \$2,250.00 of the hearing session fees.

All balances are payable to FINRA Dispute Resolution Services and are due upon receipt.

ARBITRATION PANEL

Michael Harrison	-	Public Arbitrator, Presiding Chairperson
Nicholes W. Ghnouly	-	Public Arbitrator
Roberta Haft	-	Non-Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument, which is my award.

Concurring Arbitrators' Signatures

Michael Harrison

Michael Harrison
Public Arbitrator, Presiding Chairperson

11/16/2021

Signature Date

Nicholes W. Ghnouly

Nicholes W. Ghnouly
Public Arbitrator

11/16/2021

Signature Date

Roberta Haft

Roberta Haft
Non-Public Arbitrator

11/19/2021

Signature Date

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December 01, 2021

Date of Service (For FINRA Dispute Resolution Services use only)