

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

Brandon J. Dabdoub
and McKenzie R. Dabdoub

Case Number: 20-01181

vs.

Respondent

Wells Fargo Clearing Services, LLC
d/b/a Wells Fargo Advisors

Hearing Site: Houston, Texas

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: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Brandon J. Dabdoub and McKenzie R. Dabdoub (collectively, “Claimants”): Lance C. Arney, Esq., Lance C. Arney, P.C., Houston, Texas.*

For Respondent Wells Fargo Clearing Services, LLC d/b/a Wells Fargo Advisors (“Respondent”): Jeffery D. Rodgers, Esq., Wells Fargo Legal Department, St. Louis, Missouri.

*FINRA recorded the appearance of Claimants’ counsel at the time of filing of the Statement of Claim. Counsel’s representation of Claimants may have ended with the parties’ settlement. Please see the Other Issues Considered and Decided section of this Award for information on whether Claimants’ counsel appeared at the expungement hearing.

CASE INFORMATION

Statement of Claim filed on or about: April 10, 2020.

Claimants signed the Submission Agreement: April 10, 2020.

Statement of Answer filed on or about: June 16, 2020.

Respondent signed the Submission Agreement: June 16, 2020.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: breach of fiduciary duty, negligence, gross negligence, breach of contract, violation of the Texas Securities Act, negligent supervision, and respondeat superior. The causes of action relate to Claimants' allegations that Respondent executed an unsuitable, imprudent strategy for their savings, including short-term trading of individual, speculative stocks (including many small-cap stocks), options trading, and borrowing on margin. Claimants also alleged that Respondent failed to explain the margin trading strategy and that their financial advisor, who was employed by Respondent, made trades without obtaining their prior approval.

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

RELIEF REQUESTED

In the Statement of Claim, Claimants requested actual damages in an unspecified amount, reasonable and necessary attorneys' fees, interest, costs, and all other relief, in law and in equity, to which they may be entitled.

In the Statement of Answer, Respondent requested that the Statement of Claim be dismissed in its entirety with prejudice; all references to this matter be expunged from the registration records of Unnamed Party Anthony Dale Lapia ("Lapia") that are maintained by the Central Registration Depository ("CRD"); costs and expenses; and such other and further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

On June 21, 2021, Claimants filed a notice of Withdrawal of Claims with Prejudice. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim.

On June 25, 2021, Respondent filed a Motion for Expungement on behalf of Lapia, to which no response was filed.

The Panel conducted a recorded, telephonic hearing on August 18, 2021, so the parties could present oral argument and evidence on Respondent's request for expungement on behalf of Lapia.

Neither Claimants nor Claimants' counsel participated in the expungement hearing.

The Award in this matter may be executed in counterpart copies.

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. Respondent's request for expungement of Occurrence Number 2064681 from Unnamed Party Anthony Dale Lapia's (CRD Number 1560467) CRD records is denied.
2. Any and all claims for relief not specifically addressed herein, are denied.

FEES

Pursuant to the Code of Arbitration Procedure, 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

**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

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

January 11-13, 2022, postponement requested by the parties = \$ 1,125.00

Total Postponement Fees = \$ 1,125.00

The Panel has assessed \$562.50 of the postponement fees jointly and severally to Claimants.

The Panel has assessed \$562.50 of the postponement fees to Respondent.

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:

Two (2) pre-hearing sessions with the Panel @ \$1,125.00/session = \$ 2,250.00
Pre-Hearing Conferences: August 5, 2020 1 session
May 11, 2021 1 session

One (1) hearing session on expungement request @ \$1,125.00/session = \$ 1,125.00
Hearing: August 18, 2021 1 session

Total Hearing Session Fees = \$ 3,375.00

The Panel has assessed \$1,125.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$2,250.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Thomas A. Martin	-	Public Arbitrator, Presiding Chairperson
G. Maynard Green	-	Public Arbitrator
Andrea Joan Douglas	-	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

Thomas A. Martin

Thomas A. Martin
Public Arbitrator, Presiding Chairperson

08/19/2021

Signature Date

G. Maynard Green

G. Maynard Green
Public Arbitrator

08/19/2021

Signature Date

Andrea Joan Douglas

Andrea Joan Douglas
Public Arbitrator

08/20/2021

Signature Date

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August 20, 2021

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