

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Wells Fargo Clearing Services, LLC

Case Number: 20-01813

vs.

Respondent
Michael Todd Fels

Hearing Site: Tampa, Florida

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: Member vs. Associated Person

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Wells Fargo Clearing Services, LLC (“Claimant”): Renan Sugarman, Esq., Law Offices of Renan I. Sugarman, PC, Chicago, Illinois.

Respondent Michael Todd Fels (“Respondent”) appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: June 8, 2020.

Claimant signed the Submission Agreement: June 8, 2020.

Statement of Answer filed on or about: October 30, 2020.

Respondent signed the Submission Agreement: September 27, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted breach of promissory notes as the cause of action. The cause of action is related to Claimant’s allegation that promissory notes, dated July 11, 2008 and amended on February 1, 2010 (“Note 1”), dated March 3, 2014 (“Note 2”), and dated March 3, 2014 (“Note 3” and together with Notes 1 and 2, collectively, the “Notes”), immediately became due and payable when Respondent’s employment with Claimant ended on November 16, 2018.

In the Statement of Answer, Respondent agreed that he is responsible for the forgivable loans in question.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested that the Arbitrator enter an Award in its favor against Respondent:

1. The principal balance due and owing under Note 1 in the sum of \$57,025.22 and interest accrued during the term of Note 1 at the rate of 2.25% per annum;
2. Interest at the rate of 5.25% per annum on the balance due and owing under Note 1 from the date of default (November 16, 2018) to the date of payment;
3. The principal balance due and owing under Note 2 in the sum of \$8,487.61 and interest accrued during the term of Note 2 at the rate of 1.82% per annum;
4. Interest at the rate of 4.82% per annum on the balance due and owing under Note 2 from the date of default (November 16, 2018) to the date of payment;
5. The principal balance due and owing under Note 3 in the sum of \$1,413.66 and interest accrued during the term of Note 3 at the rate of 1.82% per annum;
6. Interest at the rate of 4.82% per annum on the balance due and owing under Note 3 from the date of default (November 16, 2018) to the date of payment;
7. The costs of collection and of this proceeding, as agreed to under the terms of the Notes;
and
8. Reasonable attorneys' fees, as provided for in the Notes.

In the Statement of Answer, Respondent did not request any relief.

At the hearing, Claimant requested:

1. The sum of \$57,025.22 in damages, as the balance due and owing under Note 1;
2. Interest in the amount of \$7,320.54 on the balance due and owing under Note 1 from November 16, 2018 through and including February 23, 2021 at the rate of 5.25%;
3. The sum of \$8,487.61 in damages, as the balance due and owing under Note 2;
4. Interest in the amount of \$995.50 on the balance due and owing under Note 2 from November 16, 2018 through and including February 23, 2021 at the rate of 4.82%;
5. The sum of \$1,413.66 in damages, as the balance due and owing under Note 3;

6. Interest in the amount of \$165.81 on the balance due and owing under Note 3 from November 16, 2018 through and including February 23, 2021 at the rate of 4.82%;
7. The sum of \$250.00 in costs; and
8. The sum of \$18,000.00 in attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

AWARD

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

1. Respondent is liable for and shall pay to Claimant the sum of \$57,025.22 in damages, as the balance due and owing under Note 1.
2. Respondent is liable for and shall pay to Claimant interest in the amount of \$6,807.87 on the balance due and owing under Note 1 from November 16, 2018 through and including February 23, 2021.
3. Respondent is liable for and shall pay to Claimant the sum of \$8,487.61 in damages, as the balance due and owing under Note 2.
4. Respondent is liable for and shall pay to Claimant interest in the amount of \$930.29 on the balance due and owing under Note 2 from November 16, 2018 through and including February 23, 2021.
5. Respondent is liable for and shall pay to Claimant the sum of \$1,413.66 in damages, as the balance due and owing under Note 3.
6. Respondent is liable for and shall pay to Claimant interest in the amount of \$154.94 on the balance due and owing under Note 3 from November 16, 2018 through and including February 23, 2021.
7. Respondent is liable for and shall pay to Claimant the sum of \$250.00 in costs.
8. Respondent is liable for and shall pay to Claimant the sum of \$1,000.00 as reimbursement for the non-refundable portion of the filing fee.
9. Respondent is liable for and shall pay to Claimant the sum of \$18,000.00 in attorneys' fees pursuant to terms of the Notes.

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 = \$ 1,750.00

**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, Claimant is assessed the following:

Member Surcharge = \$ 1,100.00
Member Process Fee = \$ 2,250.00

Hearing Session Fees and Assessments

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

One (1) pre-hearing session @ \$450.00/session		= \$	450.00
Pre-Hearing Conference: December 10, 2020	1 session		
One (1) hearing session @ \$450.00/session		= \$	450.00
Hearing: February 23, 2021	1 session		
Total Hearing Session Fees		= \$	900.00

The Arbitrator has assessed the total hearing session fees to Respondent.

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

ARBITRATOR

Langfred W. White

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Sole 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.

Arbitrator's Signature

Langfred W. White

Langfred W. White
Sole Public Arbitrator

02/26/2021

Signature Date

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.

February 26, 2021

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