

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
LPL Financial LLC

Case Number: 20-03467

vs.

Respondent
Alvaro Steven Paiz

Hearing Site: New Orleans, Louisiana

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 LPL Financial LLC: David J. Sensenig, Esq. and Andrew R. Park, Esq., Park Sensenig LLC, Richmond, Virginia.

Respondent Alvaro Steven Paiz did not appear.

CASE INFORMATION

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

LPL Financial LLC signed the Submission Agreement: October 7, 2020.

Respondent did not file a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the causes of action of breach of a promissory note dated April 22, 2019 (the “Note”) and breach of a representative agreement dated March 18, 2019 (the “Agreement”). The causes of action relate to Respondent’s alleged failure to repay sums due Claimant under the Note and the Agreement upon Respondent’s termination of employment with Claimant.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: (1) the principal balance due and owing under the Note as of December 30, 2019, in the amount of \$56,125.61; (2) interest at a rate of the 9.69% per annum on the balance due and owing under the Note from the date of default

(December 30, 2019) through the date of payment; (3) the balance owed under the Agreement for fees in the amount of \$64.10; (4) interest at 5.25% per annum on the balance due and owing under the Agreement from the date of default through the date of payment; (5) the costs of collection and of this proceeding, including attorneys' fees, as agreed to under the terms of the Note and the Agreement; (7) post-award interest on the Note and the Agreement; (8) and any and all further relief that the Arbitrator deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Arbitrator on all issues submitted.

Respondent did not file a Statement of Answer. The Arbitrator determined that Respondent was served with the Claim Notification letter dated October 8, 2020 and the Overdue Notice letter (including the Statement of Claim) dated November 30, 2020, by regular mail, and the Notification of Arbitrator letter dated December 28, 2020, by regular and certified mail (as evidenced by the signed signature card on file). None of the regular mail was returned by the Post Office to FINRA. The Arbitrator further noted the following:

- Respondent was a registered representative at the time he was served with the Claim Notification letter.
- Claimant sent documents/notices to Respondent via certified mail/return receipt on March 31, 2021 and April 22, 2021 at his home and place of employment.
- Claimant sent documents/notices to Respondent via private process server on April 5, 2021 at his home and place of employment, as evidenced by the process server's Affidavit dated May 5, 2021.

The Claim Notification letter notified Respondent that FINRA rules require parties to use the online DR Portal on a mandatory basis (except pro se investors) and that failure to register for the DR Portal will prevent the submission of pleadings, selection of arbitrators, and receipt of notification relating to case information and deadlines. Respondent failed to register for the DR Portal.

The Arbitrator determined that Respondent is, therefore, bound by the Arbitrator's ruling and determination.

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 \$56,125.61, representing the balance due under the Note, plus interest on the above-stated sum in the amount of

\$8,172.96, accrued from December 30, 2019 through June 22, 2021, plus additional interest at the rate of 9.69% from June 23, 2021 through the date of satisfaction of the Award.

2. Respondent is liable for and shall pay to Claimant the sum of \$64.10, representing fees owed to Claimant as of December 30, 2019 under the Agreement, plus interest on the above-stated sum in the amount of \$4.27, accrued from December 30, 2019 through June 22, 2021, plus additional interest at the rate of 5.25% from June 23, 2021 through the date of satisfaction of the Award.
3. Respondent is liable for and shall pay to Claimant the sum of \$10,348.00 in attorneys' fees pursuant to the terms of the Note and the Agreement.
4. Respondent is liable for and shall pay to Claimant the sum of \$1,000.00, representing the non-refundable portion of the claim filing fee previously paid by Claimant to FINRA Dispute Resolution Services.
5. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, 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:

Two (2) pre-hearing sessions with a single Arbitrator @ \$450.00/session =\$ 900.00
Pre-Hearing Conferences: February 9, 2021 1 session
April 15, 2021 1 session

One (1) hearing session @ \$450.00/session =\$ 450.00
Hearing: June 23, 2021 1 session

Total Hearing Session Fees =\$ 1,350.00

The Arbitrator has assessed \$675.00 of the hearing session fees to Claimant.

The Arbitrator has assessed \$675.00 of the hearing session fees to Respondent.

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

ARBITRATOR

Mark A. Myers

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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

Mark A. Myers

Mark A. Myers
Sole Public Arbitrator

06/29/2021

Signature Date

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June 30, 2021

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