

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimants

Charles L. Brown  
Charles Brown Declaration of Trust dated  
March 5, 2018

Case Number: 20-03859

vs.

Respondents

Wells Fargo Clearing Services, LLC a/k/a  
Wells Fargo Advisors  
Andrew Leigh Gordon

Hearing Site: Myrtle Beach, South Carolina

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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 and Associated Person

This case was decided by an all-public panel.

**REPRESENTATION OF PARTIES**

For Claimants Charles L. Brown and Charles Brown Declaration of Trust dated March 5, 2018: Nate Fata, Esq., Nate Fata, P.A., Surfside Beach, South Carolina.

For Respondents Wells Fargo Clearing Services, LLC a/k/a Wells Fargo Advisors (“Wells Fargo”) and Andrew Leigh Gordon (“Gordon”): Stephen M. Cox, Esq. and Benjamin C. DeCelle, Esq., Robinson Bradshaw & Hinson, P.A., Rock Hill, South Carolina.

**CASE INFORMATION**

Statement of Claim filed on or about: November 19, 2020.

Amended Statement of Claim filed on or about: January 11, 2022.

Charles L. Brown signed the Submission Agreement: November 19, 2020.

Charles Brown Declaration of Trust dated March 5, 2018 signed the Submission Agreement: November 19, 2020.

Statement of Answer filed by Respondent Wells Fargo on or about: January 11, 2021.

Statement of Answer to Amended Statement of Claim filed by Respondent Wells Fargo on or about: January 26, 2022.

Wells Fargo signed the Submission Agreement: January 5, 2021.

Statement of Answer filed by Respondent Gordon on or about: February 23, 2021.

Statement of Answer to Amended Statement of Claim filed by Respondent Gordon on or about: January 27, 2022.  
Gordon signed the Submission Agreement: February 23, 2021.

### **CASE SUMMARY**

In the Statement of Claim, as amended, Claimants asserted the following causes of action: negligence; breach of fiduciary duties and aiding and abetting; failure to supervise; and breach of contract. The causes of action relate to unauthorized transfers and transactions in Claimants' accounts.

Unless specifically admitted in the Statement of Answer and Statement of Answer to Amended Statement of Claim, Respondent Wells Fargo denied the allegations made in the Statement of Claim, as amended, and asserted various affirmative defenses.

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

### **RELIEF REQUESTED**

In the Statement of Claim, as amended, Claimants requested: actual damages in the amount of \$1,000,000.00; consequential damages; punitive damages in an amount to be determined by the Panel; pre-judgment and post-judgment interest at the highest legal rate permitted by law; costs and expenses of this action; reasonable attorneys' fees; and any such other and further relief as the Panel deemed just, equitable and proper.

In the Statement of Answer and Statement of Answer to Amended Statement of Claim, Respondent Wells Fargo requested: dismissal of Claimants' Statement of Claim, as amended, in its entirety and with prejudice; costs and expenses of this arbitration; and such other and further relief as the Panel deemed just and proper.

In the Statement of Answer and Statement of Answer to Amended Statement of Claim, Respondent Gordon requested: dismissal of Claimants' Statement of Claim, as amended, in its entirety and with prejudice; costs and expenses of this arbitration; and such other and further relief as the Panel deemed just and proper.

During the hearing, Claimants requested actual damages in the amount of \$682,720.22 and pre-judgment interest at the rate of 8.75 percent per annum for three years (\$179,214.03).

At the close of the hearing, Claimants withdrew their requests for attorneys' fees and punitive damages.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On or about January 5, 2022, Claimants filed a Motion to Change Hearing Location to Myrtle Beach, South Carolina. No opposition was filed by Respondents. On or about January 6, 2022, the Panel issued an Order that granted the Motion to Change Hearing Location to Myrtle Beach, South Carolina.

On or about January 10, 2022, Claimants filed a Motion to Amend Statement of Claim. No opposition was filed by Respondents. On or about January 11, 2022, the Panel issued an Order that granted the Motion to Amend Statement of Claim.

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 Wells Fargo is liable for and shall pay to Claimants the sum of \$273,088.08 in compensatory damages.
2. Respondent Wells Fargo is liable for and shall pay to Claimants interest on the above-stated sum at the rate of 9 percent per annum from April 18, 2018 through and including February 2, 2022.
3. Any and all claims for relief not specifically addressed herein 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	= \$ 1,725.00
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*\*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 Wells Fargo is assessed the following:

Member Surcharge	= \$ 2,475.00
Member Process Fee	= \$ 5,075.00

#### **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:

One (1) pre-hearing session with a single Arbitrator @ \$450.00/session	= \$	450.00
Pre-Hearing Conference: December 14, 2021	1 session	
One (1) pre-hearing session with the Panel @ \$1,300.00/session	= \$	1,300.00
Pre-Hearing Conference: June 9, 2021	1 session	
Four (4) hearing sessions @ \$1,300.00/session	= \$	5,200.00
Hearings: February 1, 2022	2 sessions	
February 2, 2022	2 sessions	
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Total Hearing Session Fees	= \$	6,950.00

The Panel has assessed \$650.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$650.00 of the hearing session fees jointly and severally to Respondents Wells Fargo and Gordon.

The Panel has assessed \$5,650.00 of the hearing sessions fees to Respondent Wells Fargo.

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

**ARBITRATION PANEL**

Kenneth R. Starr	-	Public Arbitrator, Presiding Chairperson
Joe E. Manuel	-	Public Arbitrator
Gary E. Marcus	-	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**

***Kenneth R. Starr***

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Kenneth R. Starr  
Public Arbitrator, Presiding Chairperson

**02/11/2022**

\_\_\_\_\_  
Signature Date

***Joe E. Manuel***

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Joe E. Manuel  
Public Arbitrator

**02/10/2022**

\_\_\_\_\_  
Signature Date

***Gary E. Marcus***

\_\_\_\_\_  
Gary E. Marcus  
Public Arbitrator

**02/11/2022**

\_\_\_\_\_  
Signature Date

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February 11, 2022

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