

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Alex B. Shore

Case Number: 20-04207

vs.

Respondent
Wells Fargo Advisors Financial Network, LLC

Hearing Site: Nashville, Tennessee

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

REPRESENTATION OF PARTIES

For Claimant Alex B. Shore: Zachary S. Knoblock, Esq., Winget, Spadafora, Schwartzberg, LLP, Miami, Florida.

For Respondent Wells Fargo Advisors Financial Network, LLC: Deirdre Wolff, Esq., Wells Fargo Advisors Financial Network, LLC, St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on or about: December 29, 2020.
Alex B. Shore signed the Submission Agreement: December 29, 2020.

Statement of Answer filed by Respondent on or about: March 25, 2021.
Wells Fargo Advisors Financial Network, LLC signed the Submission Agreement: January 12, 2021.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

In the Statement of Answer, Respondent took no position on Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 1089741, compensatory damages in the amount of \$1.00 from Respondent; and any and all other relief

that the Panel deems just and equitable.

In the Statement of Answer, Respondent requested denial of Claimant's request for monetary damages and that there be no allocation to Respondent of any costs or expenses associated with this proceeding.

At the hearing, Claimant withdrew the request for \$1.00 in damages.

OTHER ISSUES CONSIDERED AND DECIDED

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

Claimant conducted a search via Westlaw for information regarding the current address for the underlying husband and wife customers (the "Customers"), which produced an individual PeopleMap Report from Thompson Reuters reflecting a separate address for each customer and a list of real property transactions. Using publicly available information from the State of Tennessee, Division of Property Assessments, Claimant attempted to cross-check these two addresses. Claimant was only able to confirm the wife's address, and also verified that the wife's address is a property that is jointly owned by the Customers. Although Claimant was unable to confirm the husband's address, in an abundance of caution, Claimant decided to utilize both addresses when attempting service, as set forth below.

On June 14, 2021, Claimant served by certified mail a copy of the Statement of Claim and notice of the date and time of the expungement hearing upon the Customers at both addresses Claimant was able to identify. On June 22, 2021, the mail was delivered to the wife's address, with the certified mail card reflecting a COVID19 signature and date stamp. The mail delivered to the husband's address was returned to Claimant with a note on the envelope that stated the husband had not resided at the address since 2013 or 2014. Neither of the Customers responded to Claimant's notice.

The Panel conducted a recorded telephonic hearing on August 31, 2021, so the parties could present oral argument and evidence on Claimant's request for expungement.

Respondent appeared but did not participate in the expungement hearing and as stated in the Statement of Answer, took no position on the request for expungement.

The Customers did not participate in the expungement hearing. The Panel found that the Customers had notice of the expungement request and hearing.

The Panel reviewed Claimant's BrokerCheck® Report. The Panel noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrence in the CRD.

The Panel was unable to review the settlement documentation related to Occurrence Number 1089741, because after 20 years it no longer exists and the member firm where the dispute occurred is out of business. The Panel deemed this explanation sufficient to proceed without seeing the actual settlement agreement. However, the Panel did consider the amount of payment made to any party to the settlement. The Panel also noted that the settlement was not conditioned on any party to the settlement not opposing the expungement request and that Claimant did not contribute to the settlement amount.

In recommending expungement, the Panel relied upon the following documentary or other evidence: Claimant's testimony and BrokerCheck® Report.

AWARD

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

1. The Panel recommends the expungement of all references to Occurrence Number 1089741 from registration records maintained by the CRD for Claimant Alex B. Shore (CRD Number 2431627) with the understanding that, pursuant to Notice to Members 04-16, Claimant Alex B. Shore must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code of Arbitration Procedure ("Code"), the Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

The Panel has made the above Rule 2080 finding based on the following reasons:

- The incident occurred in the late 1990s and early 2000s.
- There was no customer testimony.
- Claimant did not realize he could seek expungement until 2021.
- Claimant has no other issues on his CRD in the last 20 years.
- The Customers desired a more risky portfolio trading options to receive higher gains.
- When the market declined in the early 2000s, Claimant advised the Customers to select a more conservative strategy, but they declined, and did in fact stay with the options strategy.
- The Customers decided to "ride out" the market decline staying with options.
- Claimant's recommendations were suitable for the Customers.
- The Customers fully understood the risks of options trading.
- The Customer's claim that Claimant's recommendations were unsuitable is unreasonable considering the fact the Customers traded options for years and continued to do so with a new advisor.
- Claimant did not participate in the settlement proceedings.
- The Customers settled for less than 10% of the amount claimed.
- As occurs many times, the firm will settle as a less costly business decision to the costs of litigation.
- While this Occurrence is 20 years old, there is no Statute of Limitations on this issue.
- Claimant has had no CRD issues noted except this one.

- The Panel unanimously agreed Claimant’s CRD records should be expunged of this Occurrence.

2. 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:

Expungement 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

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 Panel, including a pre-hearing conference with the Panel, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,125.00/session = \$ 1,125.00
Pre-Hearing Conference: May 4, 2021 1 session

One (1) hearing session on expungement request @ \$1,125.00/session = \$ 1,125.00
Hearing: August 31, 2021 1 session

Total Hearing Session Fees = \$ 2,250.00

The Panel has assessed the total hearing session fees to Claimant.

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

ARBITRATION PANEL

Thomas Joseph Atkinson, Sr.	-	Public Panel, Presiding Chairperson
Douglas Charles Weinstein	-	Public Panel
Sara Francis Hoover	-	Non-Public Panel

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

Concurring Panels' Signatures

Thomas Joseph Atkinson, Sr.

Thomas Joseph Atkinson, Sr.
Public Panel, Presiding Chairperson

09/22/2021

Signature Date

Douglas Charles Weinstein

Douglas Charles Weinstein
Public Panel

09/22/2021

Signature Date

Sara Francis Hoover

Sara Francis Hoover
Non-Public Panel

09/22/2021

Signature Date

Awards are rendered by independent Panels 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.

September 22, 2021

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