

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimants

Cust Rollover IRA FBO Paschal Dobbins
Cust IRA FBO Steven Michael Joyce
Cust IRA FBO Julia Dobbins Joyce
Steven Joyce and Julia Joyce JT TEN
Cust IRA FBO Walter Lane Idol Jr.
Cust IRA FBO Kaye C. Idol
Walter Idol Jr & Kaye Idol JT TEN

Case Number: 15-02117

vs.

Respondent

LPL Financial LLC

Hearing Site: Raleigh, North Carolina

Nature of the Dispute: Customers vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Cust Rollover IRA FBO Paschal Dobbins, Cust IRA FBO Walter Lane Idol Jr., Cust IRA FBO Kaye C. Idol, and Walter Idol Jr. & Kaye Idol JT TEN: Patricia L. Vannoy, Esq., Mattson Ricketts Law Firm, Lincoln, Nebraska.

For Claimants Cust IRA FBO Steven Michael Joyce, Cust IRA FBO Julia Dobbins Joyce, and Steven Joyce and Julia Joyce JT TEN: David Gaba, Esq., Compass Law Group PS Inc., Seattle, Washington.

For Respondent LPL Financial LLC: Bradley B. Rounsaville, Esq., Bressler, Amery & Ross, P.C., Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: August 18, 2015.

Cust Rollover IRA FBO Paschal Dobbins signed the Submission Agreement: April 17, 2015.

Cust IRA FBO Steven Michael Joyce signed the Submission Agreement: April 12, 2015.

Cust IRA FBO Julia Dobbins Joyce signed the Submission Agreement: April 12, 2015.

Steven Joyce and Julia Joyce JT TEN signed the Submission Agreement: April 15, 2015.

Cust IRA FBO Walter Lane Idol Jr. signed the Submission Agreement: April 16, 2015.

Cust IRA FBO Kaye C. Idol signed the Submission Agreement: April 16, 2015.

Walter Idol Jr. & Kaye Idol JT TEN signed the Submission Agreement: April 16, 2015.

Statement of Answer filed by Respondent on or about: November 2, 2015.

LPL Financial LLC signed the Submission Agreement: November 2, 2015.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, negligence, failure to supervise, misrepresentation, fraud and breach of fiduciary duty, violation of the North Carolina Securities Act, principal/agent liability, and negligent retention of an agent.

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 the following relief:

1. Compensatory damages for the consideration paid for inappropriate, unsuitable, or fraudulent investments plus pre- and post-judgment interest at the statutory rate of 8% under N.C. Gen. Stat. Ann § 24-1 (West 2015);
2. Return of actual charges and interest charged to Claimants by Respondent and its agents;
3. Claimants' reasonable costs and expenses incurred in this action, including attorneys' fees, as provided by contract, FINRA rules, N.C. Gen. State §78-A56(a)(2) (West 2015), equity, and other ground recognized by the Panel;
4. All hearing and filing fees;
5. Punitive damages set forth under N.C. Gen. Stat. Ann. § 1D-15 (West 2015); and
6. Such other relief as the Panel may deem just and appropriate.

In the Statement of Answer, Respondent requested that the Panel issue an award dismissing the Statement of Claim in its entirety; providing the Claimants recover nothing; and granting Respondent such other, further and different relief as the Panel may deem appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

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

At the hearing, Claimants filed a Motion for Sanctions for Respondent's failure to comply with a discovery order to compel. After due consideration, the Panel denies the Claimants' motion.

Claimants made a Motion for a Disciplinary Referral against Respondent for their lack of policies and procedures to comply with relevant laws, rules and regulations of the securities industry or failure to implement those policies and procedures to protect the investing public. The Panel concurs.

The parties present at the hearing have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

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

1. Respondent is liable for and shall pay to Cust Rollover IRA FBO Paschal Dobbins the sum of \$156,650.00 in compensatory damages plus interest at the rate of 8% per annum from August 20, 2015 until the award is paid in full.
2. Respondent is liable for and shall pay to Claimant Cust IRA FBO Walter Lane Idol Jr., Cust IRA FBO Kaye C. Idol and Walter Idol Jr & Kaye Idol JTEN, the sum of \$37,000.00 in compensatory damages plus interest at the rate of 8% per annum from August 20, 2015 until the award is paid in full.
3. Respondent is liable for and shall pay to Claimants Cust IRA FBO Steven Michael Joyce, Cust IRA FBO Julia Dobbins Joyce, and Steven Joyce and Julia Joyce JTEN, the sum of \$138,000.00 in compensatory damages plus interest at the rate of 8% per annum from August 20, 2015 until the award is paid in full.
4. Respondent is liable for and shall pay to the Claimants the sum of \$32,031.60 in costs.
5. Respondent is liable for and shall pay to Claimants the sum of \$98,400.00 in attorneys' fees, pursuant to N.C. Gen. Statute §78-A56(a)(2) (West 2015).
6. Any and all claims for relief not specifically addressed herein, including punitive damages, are denied.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 1,575.00
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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 that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent LPL Financial LLC is assessed the following:

Member Surcharge	= \$ 1,900.00
Member Process Fee	= \$ 3,750.00

Adjournment Fees

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

February 13-17, 2017, adjournment by parties	= \$ 1,125.00
May 1-2, 2017, adjournment by parties	= \$ 1,125.00
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Total Adjournment Fees	= \$ 2,250.00

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

The Panel has assessed \$1,125.00 of the adjournment fees to Respondent.

Last Minute Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within ten calendar days before the start of a scheduled hearing session:

May 1-2, 2017, adjournment by parties	= \$ 1,800.00
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Total Last Minute Cancellation Fees	= \$ 1,800.00

The Panel has assessed \$900.00 of the adjournment fees jointly and severally to Claimants.

The Panel has assessed \$900.00 of the adjournment fees to Respondent.

Discovery-Related Motion Fee

Fees apply for each decision rendered on a discovery-related motion.

One (1) decision on a discovery-related motion on the papers with one (1) arbitrator @ \$200.00/decision	= \$ 200.00
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Claimants submitted one (1) discovery-related motion	
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Total Discovery-Related Motion Fees	= \$ 200.00

The Panel has assessed the \$200.00 discovery-related motion fees to Respondent.

Contested Motion for Issuance of Subpoena Fee

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) decision on a contested motion for the issuance of a subpoena with one arbitrator @ \$250.00	= \$ 250.00
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Total Contested Motion for Issuance of Subpoena Fee	= \$ 250.00

The Panel has assessed the \$250.00 contested motion for issuance of subpoenas 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 arbitrators, including a pre-hearing conference with the arbitrators, that 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: December 5, 2016 1 session

January 19, 2017 1 session

Two (2) pre-hearing sessions with the Panel @ \$1,125.00/session =\$ 2,250.00

Pre-hearing conference: January 6, 2016 1 session

May 25, 2017 1 session

Nineteen (19) hearing sessions @ \$1,125.00/session =\$ 21,375.00

Hearing Dates: April 24, 2017 2 sessions

April 25, 2017 2 sessions

April 26, 2017 2 sessions

April 27, 2017 3 sessions

April 28, 2017 2 sessions

October 23, 2017 2 sessions

October 24, 2017 3 sessions

October 25, 2017 3 sessions

Total Hearing Session Fees =\$ 24,525.00

The Panel has assessed the \$24,525.00 hearing session fees to Respondent.


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

ARBITRATION PANEL

Thomas Joseph Atkinson, Sr.	-	Public Arbitrator, Presiding Chairperson
Michael E. Weddington	-	Public Arbitrator
Danny Lynn Ingram	-	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 Joseph Atkinson, Sr.
Public Arbitrator, Presiding Chairperson

12-13-17

Signature Date

Michael E. Weddington
Public Arbitrator

Signature Date

Danny Lynn Ingram
Public Arbitrator

Signature Date

December 18, 2017
Date of Service (For FINRA Office of Dispute Resolution office use only)

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Public Arbitrator



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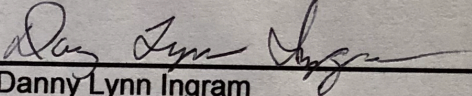
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