

**Award**  
**FINRA Office of Dispute Resolution**

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In the Matter of the Arbitration Between:

Claimants

John T. Keck  
Kathleen A. Keck

Case Number: 16-00512

vs.

Respondents

Jacqueline Sarette Georgio a/k/a Jacqueline  
Sarette Georgio Westover  
Paul Samuel Howard  
Bryan Kristian Pedersen  
RBC Capital Markets, LLC  
The Pedersen Investment Group

Hearing Site: Cheyenne, Wyoming

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Nature of the Dispute: Customers vs. Member, Associated Persons, and Non-Member

This case was decided by a majority-public panel.

**REPRESENTATION OF PARTIES**

For Claimants John T. Keck and Kathleen A. Keck, hereinafter collectively referred to as "Claimants": Patrick J. Crank, Esq., Crank Legal Group, P.C., Cheyenne, Wyoming

For Respondents RBC Capital Markets, LLC ("RBC"), Jacqueline Sarette Georgio a/k/a Jacqueline Sarette Georgio Westover ("Georgio"), Paul Samuel Howard ("Howard"), and Bryan Kristian Pedersen ("Pedersen"), hereinafter collectively referred to as "Respondents": Adrian P. Castro, Esq. and John S. Lutz, Esq., Fairfield and Woods, P.C., Denver, Colorado

Respondent The Pedersen Investment Group did not enter an appearance in this matter.

**CASE INFORMATION**

Amended Statement of Claim filed on or about: March 4, 2016

Claimants signed Submission Agreements: March 4, 2016

Statement of Answer filed by Respondents on or about: May 10, 2016

Howard signed the Submission Agreement: March 21, 2016

RBC signed the Submission Agreement: March 23, 2016

Georgio signed the Submission Agreement: May 9, 2016

Pedersen signed the Submission Agreement: May 10, 2016

### **CASE SUMMARY**

Claimants asserted the following causes of action: breach of fiduciary duty; omission of facts; failure to supervise; negligence; and errors/charges. The causes of action relate to Claimants' allegations that Respondents transferred funds from Claimant John T. Keck's Wyoming Retirement System's defined benefit plan which forfeited Claimants' right to receive monthly benefits from the plan.

Unless specifically admitted in the Statement of Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested:

1. Money damages to replace the approximately \$3,200.00 per month that the Claimants were entitled to receive from the Wyoming Retirement System for the balance of their lives in the amount of \$750,000.00 to \$1,000,000.00;
2. Costs in the amount of \$12,635.84, including reasonable attorneys' fees in the amount of \$27,315.00, expended by Claimants in pursuing the appeal before the Wyoming Retirement Board and this arbitration;
3. Forum fees in the amount of \$2,000.00;
4. Interest in the amount of \$80,000.00;
5. Purchase of an annuity to replace retirement benefits lost; and
6. Any and all additional relief to which they are entitled.

In the Statement of Answer, Respondents requested:

1. Dismissal of Claimants' claims with prejudice in their entirety;
2. Expungement of the Central Registration Depository ("CRD") records of the individual Respondents; and
3. Such other relief as is just and proper.

At the close of the hearing, Claimants requested damages in the amount of \$662,625.00.

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

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

Respondent The Pedersen Investment Group is not a member or associated person of FINRA and did not voluntarily submit to arbitration. Therefore, the Panel made no determination with respect to Claimants' claims against Respondent The Pedersen Investment Group.

Claimants amended the Statement of Claim prior to service of the claim. Although the claim is entitled Amended Statement of Claim, it is deemed the only Statement of Claim filed in this case.

The parties 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 post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimants the sum of \$559,612.00, as a result of Respondents' negligent conduct.
2. Respondents are jointly and severally liable for and shall pay to Claimants interest at the rate of 10% per annum on the amount of \$559,612.00, pursuant to Minnesota Statutes § 549.09. Interest shall begin accruing 30 days from the date of entry of the Award and continue until the amount of \$559,612.00 is paid in full.
3. Respondents' request for expungement of the individual Respondents' CRD records is denied.
4. Any and all claims for relief not specifically addressed herein, including attorneys' fees, are denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

FINRA Office of Dispute Resolution 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, RBC is assessed the following:

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

### **Postponement Fees**

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

March 6 – 10, 2017, postponement by Claimants = \$ 1,300.00

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Total Postponement Fees = \$ 1,300.00

The Panel has assessed \$1,300.00 of the postponement fees jointly and severally to Claimants.

### **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

Respondents submitted 1 discovery-related motion

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Total Discovery-Related Motion Fees = \$ 200.00

1. The Panel has assessed \$100.00 of the discovery-related motion fees jointly and severally to Claimants.
2. The Panel has assessed \$100.00 of the discovery-related motion fees jointly and severally to Respondents.

### **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), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Panel @ \$1,300.00/session = \$ 1,300.00  
Pre-hearing conference: July 18, 2016 1 session

Six (6) hearing sessions @ \$1,300.00/session = \$ 7,800.00  
Hearing Dates: July 10, 2017 2 sessions  
July 11, 2017 2 sessions  
July 12, 2017 2 sessions

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Total Hearing Session Fees = \$ 9,100.00

1. The Panel has assessed \$1,430.00 of the hearing session fees jointly and severally to Claimants.
2. The Panel has assessed \$7,670.00 of the hearing session fees jointly and severally to Respondents.

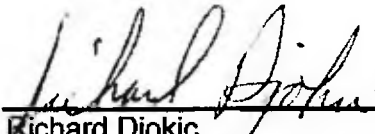
All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

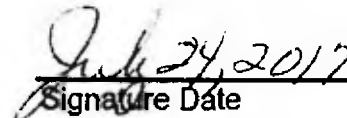
**ARBITRATION PANEL**

Richard Djokic	-	Public Arbitrator, Presiding Chairperson
Thomas R. Bromberg	-	Public Arbitrator
Larry D. Hayden	-	Non-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**

  
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Richard Djokic  
Public Arbitrator, Presiding Chairperson

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

\_\_\_\_\_  
Thomas R. Bromberg  
Public Arbitrator

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

\_\_\_\_\_  
Larry D. Hayden  
Non-Public Arbitrator

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

July 24, 2017  
Date of Service (For FINRA Office of Dispute Resolution office use only)

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Signature Date



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Thomas R. Bromberg  
Public Arbitrator

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July 24, 2107

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Signature Date

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Larry D. Hayden  
Non-Public Arbitrator

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Larry D. Hayden  
Non-Public Arbitrator

7-24-17  
\_\_\_\_\_  
Signature Date

July 24, 2017

Date of Service (For FINRA Office of Dispute Resolution office use only)