Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimants
Robert C. Young
109 U Pull It, Inc.
Clyde Archie Hanes TOD Account
Holton & Bonnie Shepherd JTTEN
Holton B. Shepherd
Bonnie L. Shepherd

vs.

Respondent
LPL Financial LLC

Case Number: 15-01640
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 Holton & Bonnie Shepherd JTTEN, Holton B. Shepherd, and Bonnie L. Shepherd ("the Shepherds"): Ryon M. McCabe, Esq., McCabe Rabin, P.A., West Palm Beach, Florida.


CASE INFORMATION

Statement of Claim filed on or about: July 9, 2015.
Amended Statement of Claim filed on or about: June 10, 2016
Robert C. Young signed the Submission Agreement: June 4, 2015.
109 U Pull It, Inc. signed the Submission Agreement: May 18, 2015.
Clyde Archie Hanes TOD Account signed the Submission Agreement: May 4, 2015.
Holton & Bonnie Shepherd JTTEN signed the Submission Agreement: April 30, 2015.
Holton B. Shepherd signed the Submission Agreement: April 30, 2015.
Bonnie L. Shepherd signed the Submission Agreement: April 30, 2015.
Statement of Answer filed by Respondent on or about: September 15, 2015.  
Amended Statement of Answer filed by Respondent on or about: June 30, 2016.  
LPL Financial LLC signed the Submission Agreement: August 3, 2015.

**CASE SUMMARY**

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

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

**RELIEF REQUESTED**

In the Statement of Claim and Amended Statement of Claim, Claimants requested unspecified compensatory damages plus interest, punitive damages, return of actual charges, attorneys’ fees, costs, and for such other relief as deemed just and appropriate.

At the close of the hearing, Robert C. Young requested compensatory damages in the amount of $206,483.73; 109 U Pull It, Inc. requested compensatory damages in the amount of $404,090.32; the Shepherds requested compensatory damages in the amount of $760,437.24; interest; punitive damages; and costs.

In the Statement of Answer and Amended Answer, Respondent requested that Claimants’ claims be dismissed in their entirety, that Claimants recover nothing, and for such other, further and different relief as deemed 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, Clyde Archie Hanes TOD Account notified the Panel it settled with the Respondent prior to the hearing.

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, 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 Robert C. Young compensatory damages in the amount of $72,595.00 plus interest at the rate of 8% per annum from July 1, 2014 until the award is paid in full.

2. Respondent is liable for and shall pay to the Shepherds compensatory damages in the amount of $35,082.00 plus interest at the rate of 8% per annum from July 1, 2014 until the award is paid in full.

3. Respondent is liable for and shall pay to Robert C. Young and 109 U Pull It, Inc. costs in the amount of $5,750.00.

4. Respondent is liable for and shall pay to the Shepherds costs in the amount of $5,750.00.

5. 109 U Pull It, Inc.'s request for compensatory damages is denied.

6. Any and all claims for relief not specifically addressed herein, including punitive damages and 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 = $1,575.00

*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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, LPL Financial LLC is assessed the following:

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Amount</th>
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<tr>
<td>Member Surcharge</td>
<td>$1,900.00</td>
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<tr>
<td>Member Process Fee</td>
<td>$3,750.00</td>
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**Discovery-Related Motion Fee**

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

Two (2) decisions on a discovery-related motion on the papers with one (1) arbitrator @ $200.00/decision = $400.00

The Panel has assessed the $400.00 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 (1) arbitrator @ $250.00 = $250.00

The Panel has assessed the $250.00 contested motion for issuance of subpoenas fee 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:

Four (4) pre-hearing sessions with a single arbitrator @ $450.00/session = $1,800.00

Pre-hearing conferences: February 18, 2016 1 session
                        May 25, 2016  1 session
                        July 5, 2016  1 session
                        August 30, 2016 1 session

Three (3) pre-hearing sessions with the Panel @ $1,125.00/session = $3,375.00

Pre-hearing conferences: December 10, 2015 1 session
                        October 17, 2016 1 session
                        October 27, 2016 1 session
Fifteen (15) hearing sessions @ $1,125.00/session = $16,875.00

<table>
<thead>
<tr>
<th>Hearing Dates</th>
<th>Sessions</th>
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<tr>
<td>October 10, 2016</td>
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<tr>
<td>October 11, 2016</td>
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<td>October 13, 2016</td>
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<td>October 14, 2016</td>
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<td>October 15, 2016</td>
<td>2</td>
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<tr>
<td>November 20, 2016</td>
<td>2</td>
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<tr>
<td>November 21, 2016</td>
<td>2</td>
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Total Hearing Session Fees = $22,050.00

The Panel has assessed the $22,050.00 hearing session fees to Respondent.

All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.
FINRA Office of Dispute Resolution
Arbitration No. 15-01640
Award Page 6 of 6

ARBITRATION PANEL

Richard S. Zaifert - Public Arbitrator, Presiding Chairperson
Lynne T. Albert - Public Arbitrator
Richard James Igou - 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

[Signature]
Richard S. Zaifert
Public Arbitrator, Presiding Chairperson

12/2/2016
Signature Date

[Signature]
Lynne T. Albert
Public Arbitrator

Signature Date

[Signature]
Richard James Igou
Public Arbitrator

Signature Date

December 6, 2016
Date of Service (For FINRA Office of Dispute Resolution office use only)
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Arbitration No. 15-01640
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Signature Date

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Richard James Igou  
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Signature Date

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