In the Matter of the Arbitration Between:

Claimants
Dominick & Dickerman LLC
Michael John Campbell

vs.

Respondents
Wunderlich Securities, Inc.
Gary Kent Wunderlich

Nature of the Dispute: Member and Associated Person vs. Member and Associated Person

REPRESENTATION OF PARTIES


For Respondents Wunderlich Securities, Inc., and Gary Kent Wunderlich: Peter S. Fruin, Esq. and Kathryn Roe Eldridge, Esq., Maynard, Cooper & Gale P.C., Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: July 24, 2017.
Dominick & Dickerman LLC signed the Submission Agreement: August 8, 2017.
Michael John Campbell signed the Submission Agreement: August 8, 2017.

Joint Statement of Answer filed by Respondents on or about: October 18, 2017.
Wunderlich Securities, Inc. signed the Submission Agreement: October 23, 2017.
Gary Kent Wunderlich signed the Submission Agreement: October 24, 2017.

CASE SUMMARY

Claimants asserted the following causes of action: common law fraud, negligent misrepresentation, violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, breach of contract, and violation of FINRA Rule 2010.

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

In the Statement of Claim, Claimants requested an award of $7,000,000.00 plus interest to Dominick in exchange for the Wunderlich common stock and warrants sold to it; $500,000.00 plus interest to Campbell in exchange for the Wunderlich common stock sold to him; $100,000.00 plus interest to reimburse Dominick for the deposit held by Pershing LLC for accounts refused by Wunderlich Securities Inc.; attorneys’ fees and costs; punitive damages; and such other and further relief as is right and just.

In the Joint Statement of Answer, Respondents requested that the Panel reject Claimants’ Statement of Claim in its entirety.

At the close of the hearing, Claimants requested $1,364,630.24 in attorneys’ fees and $65,020.31 in expenses.

OTHER ISSUES CONSIDERED AND DECIDED

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

On August 3, 2018, Respondents filed a Motion to Dismiss pursuant to FINRA Rule 13504(a)(6)(B). On February 28, 2019, Claimants filed an Opposition to Respondents Motion to Dismiss. On March 15, 2019, Respondents filed a Reply in Support of their Motion to Dismiss. On April 25, 2019, the Panel denied Respondents’ Motion to Dismiss.

At the conclusion of Claimants’ case in chief, Respondents made a Motion to Dismiss for failure to state a claim on all claims, and Claimants opposed the motion. After due deliberation, the Panel denied the motion for all claims except for the claim of violation of FINRA Rule 2010 which was granted on consent.

The hearings in this arbitration were held on December 17, 18, 19, 2019 and March 3, 4, 5, 6, 10 and 12, 2020. Pursuant to an agreement between counsels, all the hearings, except March 12, were held at the offices of Claimants' counsel in New York City. On the consent of counsel for both sides and the arbitrators, the March 12 hearing was held virtually via Zoom with counsel for Claimants, counsel for Respondents and the arbitrators all being at different locations due to concern with the coronavirus crisis.

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, 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 Claimant Dominick & Dickerman LLC the sum of $7,000,000.00 in compensatory damages. Upon receipt of payment, Claimant Dominick & Dickerman LLC shall tender to Wunderlich Securities Inc. the Wunderlich Investment Company, Inc. common stock and warrants it received from Wunderlich Investment Company, Inc. pursuant to the Asset Purchase Agreement as Amended.

2. Respondents are jointly and severally liable for and shall pay to Claimant Michael John Campbell the sum of $500,000.00 in compensatory damages. Upon receipt of payment, Claimant Michael John Campbell shall tender to Wunderlich Securities Inc. the Wunderlich Investment Company, Inc. common stock he received from Wunderlich Investment Company, Inc. pursuant to the Asset Purchase Agreement as Amended.

3. Respondents are jointly and severally liable for and shall pay to Claimant Dominick & Dickerman LLC interest on the above-stated sum in #1 in the amount of $2,824,590.00.

4. Respondents are jointly and severally liable for and shall pay to Claimant Michael John Campbell interest on the above-stated sum in #2 the amount of $201,756.00.

5. Respondent Wunderlich Securities Inc. is liable for and shall pay to Claimants the sum of $65,020.00 in costs.

6. Respondent Wunderlich Securities Inc. is liable for and shall pay to Claimants the sum of $818,778.00 in attorneys' fees pursuant to the terms of the Asset Purchase Agreement (APA), Sec.10.3.

7. Respondents are jointly and severally liable and shall pay to Claimants $2,500.00 to reimburse Claimants for the non-refundable filing fees previously paid to FINRA Office of Dispute Resolution.

8. 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 = $4,000.00

*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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as parties, Claimant Dominick & Dickerman, LLC and Respondent Wunderlich Securities, Inc. are each assessed the following:

- Member Surcharge = $3,600.00
- Member Process Fee = $6,800.00

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

- October 22-26, 2018, postponement by Parties = $1,500.00
- December 11-14, 2018, postponement by Parties = $1,500.00
- May 29-31, 2019 & June 1, 5, 6, 2019, postponement by Parties = $1,500.00
- October 29-31, 2019, postponement by Claimants WAIVED
- November 13-15, 2019, postponement by the parties WAIVED

Total Postponement Fees = $4,500.00

The Panel has assessed $2,250.00 of the postponement fees jointly and severally to Claimants.
The Panel has assessed $2,250.00 of the postponement fees jointly and severally to Respondents.

**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:

- November 13-15, 2019, postponement requested the parties WAIVED
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 session with a single arbitrator @ $450.00/session = $900.00
Pre-hearing conference: October 9, 2019 1 session
November 5, 2019 1 session

Five (5) pre-hearing sessions with the Panel @ $1,500.00/session = $7,500.00
Pre-hearing conferences: December 20, 2017 1 session
February 4, 2019 1 session
April 25, 2019 1 session
July 12, 2019 1 session
March 11, 2020 1 session

Eighteen (18) hearing sessions @ $1,500.00/session = $27,000.00
Hearing Dates: December 17, 2019 2 sessions
December 18, 2019 2 sessions
December 19, 2019 2 sessions
March 3, 2020 2 sessions
March 4, 2020 2 sessions
March 5, 2020 2 sessions
March 6, 2020 2 sessions
March 10, 2020 2 sessions
March 12, 2020 2 session

Total Hearing Session Fees = $35,400.00

The Panel has assessed $3,450.00 of the hearing session fees jointly and severally to Claimants.
The Panel has assessed $31,950.00 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.
I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

A. Rene Hollyer, Sr. 04/06/2020
A. Rene Hollyer, Sr.
Public Arbitrator, Presiding Chairperson

Jill I. Gross 04/06/2020
Jill I. Gross
Non-Public Arbitrator

Joel B. Finard 04/06/2020
Joel B. Finard
Non-Public Arbitrator

April 07, 2020
Date of Service (For FINRA Office of Dispute Resolution office use only)