In the Matter of the Arbitration Between:

Claimant  
Anthony Aris Dertouzos

vs.

Respondents  
Wells Fargo Advisors, LLC
Wells Fargo Clearing Services, LLC
David Carroll
David John Kowach
Mary Tabb Mack

Case Number: 18-03981
Hearing Site: New York, New York

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. Members and Associated Persons

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES


For Respondents Wells Fargo Advisors, LLC, Wells Fargo Clearing Services, LLC, David Carroll, David John Kowach, and Mary Tabb Mack: John O. Lukanski, Esq., Reed Smith, LLP, Princeton, New Jersey.

CASE INFORMATION

Statement of Claim filed on or about: November 20, 2018.
Anthony Aris Dertouzos signed the Submission Agreement: November 15, 2018.

Joint Statement of Answer filed by Respondents on or about: February 25, 2019.
Wells Fargo Advisors, LLC signed the Submission Agreement: February 26, 2019.
Wells Fargo Clearing Services, LLC signed the Submission Agreement: March 28, 2019.
David Carroll signed the Submission Agreement: March 26, 2019.
CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: negligent misrepresentations, fraud, aiding and abetting Credit Suisse’s scheme to steal the deferred compensation from its relationship managers, negligence, and unjust enrichment.

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

In the Statement of Claim, Claimant requested compensatory damages of at least $5.5 million; compensatory damages to be proven at trial in the event that Claimant does not recover 100% of the deferred compensation owed to him by Credit Suisse; interest from October 21, 2015, until the award is satisfied; costs of the arbitration to be assessed against Wells Fargo; and all other just and necessary relief.

In the Statement of Answer, Respondents requested that the Claim be denied in its entirety and dismissed with prejudice, and the Panel should award Respondents the costs of their defense.

OTHER ISSUES CONSIDERED AND DECIDED

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


The Award in this matter may be executed in counterpart copies.

AWARD

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

1. Respondents Wells Fargo Clearing Services LLC and Wells Fargo Advisors, LLC are jointly and severally liable for and shall pay to Claimant the sum of $987,300.00 in compensatory damages.

2. Claimant’s claims against David Carroll, David John Kowach, and Mary Tabb Mack are denied.

3. Any and all claims for relief not specifically addressed herein, including any requests for attorneys’ fees, are denied.
FEES

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

**Filing Fees**
FINRA Dispute Resolution Services assessed a filing fee* for each claim:

- Initial Claim Filing Fee = $2,250.00

*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 party, Respondent Wells Fargo Clearing Services, LLC is 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:

- February 5-7, 11-12, 2020, postponement requested by Parties = $1,500.00
- April 12-13, 2021, postponement requested by Parties = $1,500.00
- September 2, 2021, postponement requested by Respondents = $1,500.00
- September 8-10, 2021, postponement requested by Parties = $1,500.00
- February 11 and March 15, 2022, postponement requested by Respondents = $1,500.00

Total Postponement Fees = $7,500.00

The Panel has assessed $1,500.00 of the postponement fees to Claimant.

The Panel has assessed $6,000.00 of the postponement fees jointly and severally to Respondent Wells Fargo Advisors, LLC and Wells Fargo Clearing Services, LLC.

**Last-Minute Cancellation Fees**
Fees apply when a hearing on the merits is cancelled within ten calendar days before the start of a scheduled hearing session:

- April 12-13, 2021, cancellation requested by Parties = $1,800.00
- September 2, 2021, cancellation requested by Respondents = $1,800.00
- September 8-10, 2021, cancellation requested by Parties = $1,800.00
- February 11 and March 15, 2022, cancellation requested by Respondents = $1,800.00

Total Last-Minute Cancellation Fees = $7,200.00

The Panel has assessed $900.00 of the last-minute cancellation fees to Claimant.
The Panel has assessed $6,300.00 of the last-minute cancellation fees jointly and severally to Respondent Wells Fargo Advisors, LLC and Wells Fargo Clearing Services, LLC.

**Discovery-Related Motion Fees**
Fees apply for each decision rendered on a discovery-related motion.

Three (3) decisions on discovery-related motions on the papers with one (1) Arbitrator @ $200.00/decision = $ 600.00

Two (2) decisions on a discovery-related motions on the papers with the Panel @ $600.00/decision = $ 1,200.00

Claimant submitted Four (4) discovery-related motions
Respondent submitted One (1) discovery-related motion

Total Discovery-Related Motion Fees = $ 1,800.00

The Panel has assessed $1,200.00 of the discovery-related motion fees to Claimant.

The Panel has assessed $400.00 of the discovery-related motion fees jointly and severally to Respondents

The Panel has assessed $200.00 of the discovery-related motion fees jointly and severally to Respondent Wells Fargo Advisors, LLC and Wells Fargo Clearing Services, LLC.

**Contested Motion for Issuance of Subpoena Fees**
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

Total Contested Motion for Issuance of Subpoena Fees = $ 250.00

The Panel has assessed $125.00 of the contested motion for issuance of subpoena fees to Claimant.

The Panel has assessed $125.00 of the contested motion for issuance of subpoena 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 Arbitrators, including a pre-hearing conference with the Arbitrators, which 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:
- December 20, 2019 1 session
- January 15, 2020 1 session
- July 29, 2020 1 session
- April 9, 2021 1 session
Eleven (11) pre-hearing sessions with the Panel @ $1,500.00/session  = $16,500.00
Pre-Hearing Conferences:
- March 28, 2019 1 session
- March 3, 2020 1 session
- March 26, 2020 1 session
- April 28, 2020 1 session
- September 22, 2020 1 session
- November 20, 2020 1 session
- April 26, 2021 1 session
- July 26, 2021 1 session
- September 22, 2021 1 session
- November 10, 2021 1 session
- December 2, 2021 1 session

Forty-Four (44) hearing sessions @ $1,500.00/session  = $66,000.00
Hearings:
- April 14, 2021 2 sessions
- April 15, 2021 2 sessions
- May 10, 2021 2 sessions
- May 11, 2021 2 sessions
- May 13, 2021 2 sessions
- May 14, 2021 2 sessions
- July 30, 2021 1 session
- August 23, 2021 2 sessions
- August 31, 2021 2 sessions
- September 1, 2021 1 session
- September 29, 2021 2 sessions
- September 30, 2021 1 session
- October 4, 2021 2 sessions
- October 5, 2021 1 session
- October 11, 2021 2 sessions
- October 12, 2021 2 sessions
- October 13, 2021 2 sessions
- December 10, 2021 2 sessions
- January 5, 2022 2 sessions
- January 7, 2022 2 sessions
- January 12, 2022 2 sessions
- January 28, 2022 2 sessions
- February 4, 2022 2 sessions
- March 23, 2022 2 sessions

Total Hearing Session Fees  = $84,300.00

The Panel has assessed $42,637.50 of the hearing session fees to Claimant.

The Panel has assessed $6,412.50 of the hearing session fees jointly and severally to Respondents.

The Panel has assessed $35,250.00 of the hearing session fees jointly and severally to Respondent Wells Fargo Advisors, LLC and Wells Fargo Clearing Services, LLC.
All balances are payable to FINRA Dispute Resolution Services 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

James M. Rhodes 05/13/2022
James M. Rhodes
Public Arbitrator, Presiding Chairperson

David John Reilly 05/13/2022
David John Reilly
Public Arbitrator

Emad A. Zikry 05/14/2022
Emad A. Zikry
Non-Public Arbitrator

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