

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

Renee Vachon Danho, Denis E. Vachon in his capacity as Trustee of the Denise E. Vachon Trust, Georgette A. Vachon in her capacity as Trustee of the Georgette A. Vachon Trust and MRM Realty, LLC

Case Number: 21-00876

vs.

Respondents

Barrett & Company
Charles Edward White, II
Wilson Gordon Saville

Hearing Site: Providence, Rhode Island

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: Customers vs. Member and Associated Persons

This case was decided by an all-public panel.

The evidentiary hearing was conducted partially by videoconference.

REPRESENTATION OF PARTIES

For Claimants Renee Vachon Danho, Denis E. Vachon in his capacity as Trustee of the Denise E. Vachon Trust, Georgette A. Vachon in her capacity as Trustee of the Georgette A. Vachon Trust and MRM Realty, LLC (“Claimants”): Stacey P. Nakasian, Esq., Duffy & Sweeney, Ltd., Providence, Rhode Island.

For Respondents Barrett & Company, Charles Edward White, II and Wilson Gordon Saville (“Respondents”): Peter F. Flynn, Esq., Law Office of Peter F. Flynn, Marshfield, Massachusetts.

CASE INFORMATION

Amended Statement of Claim filed on or about: April 6, 2021.

Renee Vachon Danho signed the Submission Agreement: April 6, 2021.

Denis E. Vachon Trust signed the Submission Agreement: April 6, 2021.

Georgette A. Vachon Trust signed the Submission Agreement: April 6, 2021.

MRM Realty, LLC signed the Submission Agreement: April 6, 2021.

Joint Statement of Answer filed by Respondents on or about: June 1, 2021.
Barrett & Company signed the Submission Agreement: May 13, 2021.
Charles Edward White, II signed the Submission Agreement: April 28, 2021.
Wilson Gordon Saville signed the Submission Agreement: June 3, 2021.

CASE SUMMARY

In the Amended Statement of Claim, Claimants asserted the following causes of action: violation of FINRA Rules 2090, 2111, and 3010; breach of fiduciary duty; and negligence. The causes of action relate to unspecified securities.

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

RELIEF REQUESTED

In the Joint Statement of Claim, Claimants requested damages in an amount in excess of \$1,600,00.00, representing their out of pocket losses, the return of trading fees paid to Respondents, and the investment returns they would have recognized, together with interest; punitive damages of \$1,600,000.00; attorneys' fees; and FINRA arbitration fees.

In the Joint Statement of Answer, Respondents requested that all relief sought by Claimants be denied; costs, interest, and arbitration fees; and such other relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

Claimants filed a Statement of Claim on April 1, 2021. The original Statement of Claim was not served on Respondents nor considered by the Panel.

The evidentiary hearings in this matter were conducted in-person on March 22-23 and May 3-5 of 2022, and by videoconference on June 3, 2022.

Before the conclusion of Claimants' case-in-chief, Respondents made a Motion to Dismiss, and Claimants opposed the Motion to Dismiss. After due deliberation, the Panel denied Respondents' Motion to Dismiss.

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 are jointly and severally liable for and shall pay to Claimant Renee Vachon Danho the sum of \$7,000.00 in compensatory damages.
2. Respondents are jointly and severally liable for and shall pay to Claimants Georgette A. Vachon Trust, Denis E. Vachon Trust, and MRM Realty, LLC the sum of \$290,000.00 in compensatory damages.
3. Respondents are jointly and severally liable for and shall pay to Claimants the sum of \$50,000.00 in punitive damages pursuant to *Palmisano v. Toth*, 624 A.2d 314, 318 (R.I. 1993).
4. Respondents are jointly and severally liable for and shall pay to Claimants \$600.00 for the non-refundable portion of the filing fee paid to FINRA Dispute Resolution Services.
5. 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 = \$ 2,000.00

**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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent Barrett & Company is assessed the following:

Member Surcharge = \$ 3,025.00

Member Process Fee = \$ 6,175.00

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:

One (1) pre-hearing session with the Panel @ \$1,400.00/session = \$ 1,400.00
Pre-Hearing Conference: August 9, 2021 1 session

Ten (10) hearing sessions @ \$1,400.00/session = \$ 14,000.00
Hearings: March 22, 2022 2 sessions
March 23, 2022 1 session
May 3, 2022 2 sessions
May 4, 2022 2 sessions

May 5, 2022	2 sessions
June 3, 2022	1 session

Total Hearing Session Fees	= \$ 15,400.00
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The Panel has assessed the total hearing session fees jointly and severally to Respondents.

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

ARBITRATION PANEL

Diane Ciccone	-	Public Arbitrator, Presiding Chairperson
Vincent Vina	-	Public Arbitrator
Gabrielle Labonte	-	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

Diane Ciccone

Diane Ciccone
Public Arbitrator, Presiding Chairperson

06/08/2022

Signature Date

Vincent Vina

Vincent Vina
Public Arbitrator

06/08/2022

Signature Date

Gabrielle Labonte

Gabrielle Labonte
Public Arbitrator

06/08/2022

Signature Date

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June 09, 2022

Date of Service (For FINRA Dispute Resolution Services use only)