

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimants

Evelyn Chiasson
Anne Marie Fargason

Case Number: 18-02895

vs.

Respondents

Andrew C. Black, Jr.
Morgan Stanley & Co., LLC

Hearing Site: New Orleans, Louisiana

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

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Evelyn Chiasson (“Chiasson”), and Anne Marie Fargason (“Fargason”):
Frank "Kim" Breese, III, Esq., Breese Law Office, PLLC, Ridgeland, Mississippi.

For Respondents Andrew C. Black, Jr. (“Black”), and Morgan Stanley & Co., LLC
 (“Morgan Stanley”): Timothy B. Atkins, Esq., Morgan Stanley Wealth Management,
 Pensacola, Florida.

Hereinafter, Chiasson and Fargason are collectively referred to as “Claimants,” and
 Black and Morgan Stanley are collectively referred to as “Respondents”.

CASE INFORMATION

Statement of Claim filed on or about: August 15, 2018.

Chiasson and Fargason signed the Submission Agreement: August 15, 2018.

Statement of Answer filed by Respondents on or about: November 8, 2018.

Black signed the Submission Agreement: October 25, 2018.

Morgan Stanley signed the Submission Agreement: November 8, 2018.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; overconcentration;
 unauthorized trading; failure to supervise; failure to meet FINRA's requirements of
 members; and breach of contract. The causes of action relate to Claimants' investment
 in shares of Seadrill, Ltd.

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, Claimants requested:

1. Compensatory damages for Fargason of approximately \$151,000.00;
2. Compensatory damages for Chiasson of approximately \$144,000.00;
3. Lost opportunity cost for Fargason of approximately \$373,000.00;
4. Lost opportunity cost for Chiasson of approximately \$262,000.00;
5. Punitive damages;
6. Attorneys' fees;
7. Interest;
8. Costs; and
9. Any other equitable relief to which the Panel finds Claimants are entitled.

In the Statement of Answer, Respondents requested:

1. Denial of Claimants' claims;
2. Claimant be responsible for all costs and fees in this proceeding;
3. Claimants be ordered to pay Respondents' costs and attorneys' fees;
4. Expungement of these claims, occurrence number 1996021, from Black's CRD.

OTHER ISSUES CONSIDERED AND DECIDED

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

During the evidentiary hearing, Claimants' counsel advised the Panel that Chiasson had passed away. As result, counsel advised that Chiasson is withdrawn as a claimant, and Fargason would be the sole Claimant pursuing her claims in this arbitration.

The Panel heard oral argument and evidence on Black's request for expungement at the recorded evidentiary hearing. Fargason did not contest the request for expungement.

The Panel reviewed Black's BrokerCheck® Report.

The Panel noted that Black did not previously file a claim requesting expungement of the same disclosure in the CRD.

In recommending expungement, the Panel relied upon the following documentary or other evidence: all of the testimony and evidence offered at the hearing; and Black's BrokerCheck® Report.

The parties present at the hearing have agreed 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. Morgan Stanley is liable for and shall pay to Fargason the sum of \$100,000.00 in compensatory damages.
2. Morgan Stanley is liable for and shall pay to Fargason interest on the above-stated sum at the rate of 5% per annum from August 16, 2018 to the date that the award has been paid in full.
3. Morgan Stanley is liable for and shall pay to Fargason the sum of \$4,748.00 in costs.
4. Morgan Stanley is liable for and shall pay to Fargason the sum of \$4,575.00 for witness fees.
5. The Panel recommends the expungement of all references to the above-captioned arbitration, occurrence number 1996021 from registration records maintained by the CRD, for Respondent Andrew C. Black, Jr. (CRD# 1627800), with the understanding that, pursuant to Notice to Members 04-16, Respondent Andrew C. Black, Jr. must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code, the Panel has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

The Panel has made the above Rule 2080 findings based on the following reasons:

The Claim against Black is that he failed in his supervisory role. The Panel finds this allegation to be clearly erroneous. People in the Morgan Stanley chain of command failed to exercise proper supervision of the account. However, Black complied with all of his responsibilities and should not be penalized for the failure of others.

6. Any and all claims for relief not specifically addressed herein 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 = \$ 1,725.00

**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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Morgan Stanley is assessed the following:

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

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

Morgan Stanley submitted 1 discovery-related motion

Total Discovery-Related Motion Fees = \$200.00

The Panel has assessed \$200.00 of the discovery-related motion fees to Morgan Stanley.

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:

One (1) pre-hearing session with the Panel @ \$1,300.00/session = \$1,300.00
Hearing date: December 4, 2018 1 session

Five (5) hearing sessions @ \$1,300.00/session = \$6,500.00
Hearing Dates: September 17, 2019 2 sessions
September 18, 2019 2 sessions
September 19, 2019 1 session

Total Hearing Session Fees = \$7,800.00

The Panel has assessed \$7,800.00 of the hearing session fees to Morgan Stanley.


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

ARBITRATION PANEL

Bertrand C. Moser	-	Public Arbitrator, Presiding Chairperson
Frank M Romano	-	Public Arbitrator
Allan R. Lazor	-	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



Bertrand C. Moser
Public Arbitrator, Presiding Chairperson



Signature Date

Frank M Romano
Public Arbitrator

Signature Date

Allan R. Lazor
Public Arbitrator

Signature Date

October 16, 2019
Date of Service (For FINRA Office of Dispute Resolution office use only)

ARBITRATION PANEL

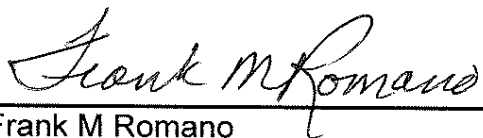
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