Bond Case Briefs

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Wells Fargo Takes $8.7 million Arbitration Hit Over Puerto Rican Bonds.

Finra panel says firm and broker are liable for damages, interest, fees and costs

A Financial Industry Regulatory Authority Inc. arbitration panel has awarded clients of Wells Fargo almost $8.7 million over the firm's handling of sales of Puerto Rican municipal bonds.

The panel found that Wells Fargo and Marc Rogers, one of its brokers, are jointly liable for paying Sylvia and Sammy Kaye Duncan and the couple's revocable trust approximately $4.18 million in compensatory damages, $832,000 in interest, $2.7 million in attorney's fees, $500,000 in punitive damages, $206,000 in costs and $102,000 in monetary sanctions.

Finra said that Wells Fargo and Mr. Rogers would be responsible for paying interest on the total of $8,575,767.43 owed to the claimants at the rate of 9% per year from July 19, 2018 until paid in full.

The Duncans claimed that in their sales of the Puerto Rican bonds, Wells Fargo and Mr. Rogers breached their fiduciary duties, recommended unsuitable securities and investment strategies, were negligent, engaged in unauthorized trading and made negligent misrepresentations and omissions, as well as engaged in manipulative and deceptive practices.

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