

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Wedbush Securities Inc.

Case Number: 15-01917

vs.

Respondent
Alexander Alternative Capital, LLC

Hearing Site: Miami, Florida

Nature of the Dispute: Member vs. Customer

REPRESENTATION OF PARTIES

For Claimant Wedbush Securities Inc. ("Wedbush"): Leandro Palencia, Esq., Wedbush Securities Inc., Los Angeles, California.

For Respondent Alexander Alternative Capital, LLC ("AAC"): Robert J. Harvey, Esq., Jenks & Harvey LLP, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: July 27, 2015.

Wedbush Securities Inc. signed the Submission Agreement: August 7, 2015.

Answer, Affirmative Defenses and Counterclaim filed by Respondent on or about: December 11, 2015.

Alexander Alternative Capital, LLC signed the Submission Agreement: November 27, 2015.

Answer to Counterclaim filed by Claimant on or about: December 22, 2015.

First Amended Statement of Claim filed by Claimant on or about: December 22, 2015.

Amended Answer, Affirmative Defenses and Counterclaim filed by Respondent on or about: January 11, 2016.

Motion to Dismiss and for Sanctions Regarding Counsel for Claimant's Unauthorized Practice of Law ("Motion to Dismiss") filed by Respondent on or about: November 30, 2016.

Opposition to Motion to Dismiss filed by Claimant on or about: December 4, 2016.

CASE SUMMARY

In the Statement of Claim, as amended, Claimant asserted the causes of action of breach of contract and conversion in connection with Respondent's alleged failure to repay sums due Claimant in connection with Respondent's purchases, on margin, of JPEP and EXXI.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In its Counterclaim, as amended, Respondent asserted the cause of action of breach of contract in connection with Claimant's alleged failure to act properly, in good faith and in a commercially reasonable manner when processing Respondent's ACAT request.

Unless specifically admitted in the Answer to Counterclaim, Claimant denied the allegations made in the Counterclaim and asserted various defenses.

RELIEF REQUESTED

In the Statement of Claim, as amended, Claimant requested: compensatory damages in the amount of \$72,627.68, plus interest at the maximum legal rate; punitive damages; costs, expenses and attorneys' fees; and such other and further relief as deemed just and proper by the Arbitrator.

In the Answer, Affirmative Defenses and Counterclaim, as amended, Respondent requested the rejection of Claimant's claims in their entirety; compensatory damages in the amount of \$25,000.00; costs; and attorneys' fees.

In the Answer to Counterclaim, Claimant requested: dismissal of the Counterclaim with prejudice; costs, expenses and attorneys' fees in connection with this proceeding; and such other and further relief deemed just and proper.

At the close of the hearing, Respondent's final damages increased from \$25,000.00 to \$100,000.00, which the Arbitrator did not deem to be an amendment of Respondent's Counterclaim.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that she has read the pleadings and other materials filed by the parties.

Respondent filed a Motion to Dismiss and for Sanctions based upon the alleged unauthorized practice of law by Claimant's counsel in violation of, among others, FINRA Rule 12208(b) and the laws of the State of Florida. In its opposition, Claimant requested that the Motion be denied because it fails to comply with FINRA rules, lacks legal basis and misapplies the law. The Arbitrator deferred ruling on the Motion until the evidentiary hearing. At the outset of the evidentiary hearing, the Arbitrator heard oral argument from the parties on Respondent's Motion to Dismiss and for Sanctions and thereafter denied the Motion.

At the close of Claimant's case-in-chief, Respondent made an ore tenus Motion to Dismiss and asserted that Claimant had failed to state a claim. Claimant opposed the Motion. Thereafter, the Arbitrator denied Respondent's Motion to Dismiss.

AWARD

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

1. Claimant's claims are dismissed with prejudice.
2. Respondent's counterclaims are dismissed with prejudice.
3. Any and all claims for relief not specifically addressed herein, including the parties' respective requests for attorneys' fees and Claimant's request for 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	= \$ 1,750.00
Counterclaim Filing Fee	= \$ 425.00

*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, Claimant is assessed the following:

Member Surcharge	= \$ 1,100.00
Member Process Fee	= \$ 2,250.00

Hearing Session Fees and Assessments

The Arbitrator has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s) that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with the Arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: March 24, 2016 1 session	
One (1) hearing session @ \$450.00/session	= \$ 450.00

Hearing Date: December 6, 2016 1 session

Total Hearing Session Fees = \$ 900.00

The Arbitrator has assessed the \$450.00 of the hearing session fees to Claimant.

The Arbitrator has assessed the \$450.00 of the hearing session fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Respondent AAC – Administrative Cost = \$ 50.00

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

ARBITRATOR

Susanne J. Hollander

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Sole 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.

Arbitrator's Signature



Susanne J. Hollander
Sole Public Arbitrator

12-23-16

Signature Date

DECEMBER 27, 2016

Date of Service (For FINRA Office of Dispute Resolution office use only)