

Incline man wins case against Merrill Lynch

By Bill O'Driscoll, Reno Gazette-Journal

An Incline Village man was recently awarded \$1.375 million in an arbitration case against Banc of America Securities, now Merrill Lynch. The damage award returns his entire investment, plus interest, which was made a year before the 2008 banking crisis unfolded.

A stock broker for Bobby Hayes, a retired businessman, put \$883,122 into a complex multi-level security known as a collateralized loan obligation in July 2007. The terms were 12 years at 8 percent interest, said his lawyer, Tom Bradley of Reno. Hayes said he had instructed his broker not to make high-risk investment with the money.

Hayes lost his entire investment within 14 months, Bradley said. He took his case before the Financial Industry Regulatory Authority, or FINRA, an independent agency which regulates securities firms and financial brokers under the Securities and Exchange Commission.

In three days of hearings in Reno last year before a three-person FINRA panel, Bradley claimed breaches of written and oral contracts and fiduciary duty, fraud, negligence and state securities violations, according to FINRA's dispute resolution. Representatives of Banc of America Securities LLC and Merrill Lynch sought dismissal of the claims.

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