

22-01761 Customer v. Member

Hearing Site: **Manchester, New Hampshire** Award Date: **9/15/2023**

Side	Party	Attorney Name	Firm
C	The Reed Family Trust	August M. Iorio, Esq.	Iorio Altamirano LLP
R	AGES Financial Services, Ltd.	Kirsten Patzer, Esq. Nicole Coccozza, Esq.	Prince Lobel Tye LLP

- Issues**
- Breach of Contract
 - Breach of Fiduciary Duty
 - Common Law Fraud
 - Failure to Supervise
 - Fraudulent Misrepresentations and Omissions
 - Negligence
 - Securities Fraud
 - Unsuitability
 - The causes of action relate to investments in ***GWG Holding Inc.'s L Bonds***.

Award Info

Description	Requested	Awarded
Compensatory	\$35,000	\$0
Total	\$35,000	\$0

Award Notes
 *This is an Explained Decision.

Arbitrators
 Linda J. Baer | Public
Reasoned Award

22-02691 Customer v. Member, Associated Person

Hearing Site: **Chicago, Illinois** Award Date: **9/15/2023**

Side	Party	Attorney Name	Firm
C	Richard Antonio Banks-Davis (Did Not Appear)	N/A	
R	Charles Schwab & Co., Inc., Austin James Witt	Joseph L. Siders, Esq.	Charles Schwab & Co., Inc.

- Issues**
- Failure to Return Funds

Award Info

Description	Requested	Awarded
Compensatory	\$14,344	
Total	\$14,344	Case Dismissed

Award Notes
 *The Arbitrator granted Respondent's Motion to Dismiss on the grounds that Claimant failed to appear at the hearing. The evidentiary hearing was conducted by videoconference.

Arbitrators
 Michael S. Jordan | Public

21-02335 Customer v. Member

Hearing Site Award Date
Boca Raton, Florida **9/19/2023**

Side	Party	Attorney Name	Firm
C	Linda Krieg, as Personal Representative of the Estate of Catherine Nicholson	Jason S. Haselkorn, Esq. Matthew N. Thibaut, Esq.	Haselkorn & Thibaut, P.A.
R	David Lerner Associates, Inc.	Anna K. Stark, Esq.	Thompson Hine LLP

- Issues**
- Breach of Contract
 - Breach of Fiduciary Duty
 - Breach of Industry Rules and Regulations
 - Negligence
 - Negligent Supervision
 - Professional Negligence
 - Unsuitable Recommendation(s)
 - Violation of Law
 - The causes of action relate to Respondent allegedly selling Claimant's mother high-commission alternative investments, and a concentrated proprietary investment fund in the same market sector.

Award Info

Description	Requested	Awarded
Total	Not Specified	Settled
	Expungement	Granted

Award Notes
 *The parties have entered into a settlement agreement. The Panel recommends the expungement of all reference to this arbitration from Unnamed Party Leon Harry Weinerman's registration records maintained by the CRD. The evidentiary hearing was conducted by videoconference.

Arbitrators

Steven N. Ainbinder	Chair
Kimberly A. Gilmour	Public
Stephen John Gohlke	Public

21-02742 Customer v. Member, Associated Person, Non-Member

Hearing Site Award Date
Salt Lake City, Utah **9/15/2023**

Side	Party	Attorney Name	Firm
C	Klenell Jensen	Brian E. Lahti, Esq.	Lahti Helfgott LLC
R	Cornerstone Wealth Management, LLC, Daniel Mann, Kyle Kirwan	R. Bradley Ziegler, Esq.	Lewis Rice, LLC
R	Kalos Capital, Inc.	Alan M. Wolper, Esq.	Ulmer & Berne LLP

- Issues**
- Breach of Fiduciary Duty
 - Federal Securities Fraud
 - Illegal Sales of Unregistered Securities
 - Negligence
 - Negligent Supervision
 - Selling Away
 - State Securities Fraud
 - The causes of action relate to private placement offerings in investment funds overseen by **GPB Capital**, which included **GPB Waste Management, GPB Holdings II, LP**, and **Automotive Portfolio, LP**.

Award Info

Description	Requested	Awarded
Compensatory	\$726,000	
Punitive	\$2,178,000	
Total	\$2,904,000	Settled
	Expungement	Denied

Award Notes
 *Claimant and Respondents Cornerstone Wealth Management, LLC, Kirwan and Mann have entered into a settlement agreement. Respondent Kalos Capital, Inc. filed for bankruptcy under the United States Bankruptcy Code. Therefore, all claims against Kalos were indefinitely stayed. Respondents Kirwan and Mann's request for expungement were denied. The expungement hearing was conducted by videoconference.

Arbitrators

Paul H. Lamboley	Chair
David L. Moran	Public
Tina Alison Davis	Public

21-02839 Customer v. Non-Member

Hearing Site: Los Angeles, California
 Award Date: 9/18/2023

Side	Party	Attorney Name	Firm
C	David S. Vosicher, individually and on behalf of his IRA Roth and IRA Rollover retirement accounts (Pro Se)	N/A	
R	Strong Wealth Management, LLC, George G. Strong III	Kevin K. Fitzgerald, Esq.	Jones, Bell, Abbott, Fleming & Fitzgerald, LLP

- Issues**
- Breach of Contract
 - Breach of Fiduciary Duty
 - Constructive Fraud
 - Negligence
 - Negligent Misrepresentation
 - Negligent Supervision
 - Unsuitable Portfolio Construction
 - Unsuitable Recommendation(s)
 - Violation of California Corporate Securities Code
 - Violation of Industry Rules and Standards
 - The causes of action relate to **Direxion S&P 500 Bear 3X, ProShares Ultra S&P 3X, Direxion S&P 500 Bull 3X, ProShares Ultra VIX Short-Term Futures, VelocityShares Daily 2X VIX Short-Term, Guggenheim Rydex Inverse NASDAQ 100, Direxion Small Cap Bear 2X, and CBOE Vest S&P 500 Buffer Strategy Fund.**

Award Info

Description	Requested	Awarded
Compensatory	\$552,580	\$150,000
Interest	10%	4%
Total	\$552,580	\$150,000

Arbitrators

Robert B. Hansohn	Chair
Richard Andrew Roupoli	Public
Andrew Levy	Public

22-02623 Customer v. Member

Hearing Site: Phoenix, Arizona
 Award Date: 9/18/2023

Side	Party	Attorney Name	Firm
C	Charles Bret Irvine	Lars K. Soreide, Esq.	Soreide Law Group, PLLC
R	Geneos Wealth Management, Inc.	Victoria H. Buter, Esq.	Kutak Rock, LLP

- Issues**
- Breach of Contract
 - Breach of Fiduciary Duty
 - Negligence
 - Negligent Supervision
 - Violation of Industry Rules
 - The causes of action relate to **LJM Capital Preservation Fund** and various unspecified securities.

Award Info

Description	Requested	Awarded
Compensatory	\$150,000	
Total	\$150,000	Settled
	Expungement	Granted

Arbitrators

Sandra L. Malek	Chair
Franklin Delano Dodge	Public
Blake Rayfield	Public

Award Notes
 *The parties have entered into a settlement agreement. The Panel recommends the expungement of all reference to this arbitration from Unnamed Party Michael John Osland's registration records maintained by the CRD. The expungement hearing was conducted by videoconference.

23-01581 Member, Non-Member v. Associated Person

Hearing Site: Milwaukee, Wisconsin
 Award Date: 9/15/2023

Side	Party	Attorney Name	Firm
C	Morgan Stanley Smith Barney Financing LLC, Morgan Stanley Smith Barney LLC	Gary M. Saretsky, Esq.	Saretsky Hart Michaels + Gould PC
		Jacob T. White, Esq.	Saretsky Hart Michaels + Gould PC
		Samuel P. Mauch, Esq.	Saretsky Hart Michaels + Gould PC
R	Todd Barden (Did Not Appear)	N/A	

- Issues**
- Breach of Promissory Note(s)

Award Info

Description	Requested	Awarded
Compensatory	\$340,590	\$340,590
Interest		7%
Total	\$340,590	\$340,590

Arbitrators

Raymond P. Buschmann	Public
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21-02258 Associated Person v. Member

Hearing Site: Philadelphia, Pennsylvania
 Award Date: 9/19/2023

Side	Party	Attorney Name	Firm
C	Blake Epstein, Sean McCullough, Stanley Kiec	Alan L. Rosca, Esq.	Rosca Scarlato LLC
		Hugh Bergson, Esq.	Rosca Scarlato LLC
		Paul J. Scarlato, Esq.	Rosca Scarlato LLC
R	Morgan Stanley	Chris Hunt, Esq.	O'Melveny & Myers LLP
		Jody Forchheimer, Esq.	O'Melveny & Myers LLP
		Mark Greenfield, Esq.	O'Melveny & Myers LLP
		Meaghan VerGow, Esq.	O'Melveny & Myers LLP

- Issues**
- Breach of Fiduciary Duty Under ERISA
 - Breach of Implied Covenant of Good Faith and Fair Dealing
 - Conversion
 - Declaratory and Equitable Relief
 - Fraud
 - Fraudulent Concealment
 - Fraudulent Inducement
 - Quantum Meruit
 - Reformation of the Financial Advisor Deferred Compensation Plan
 - Unjust Enrichment
 - Violation of New York Labor Law
 - Violation of Pennsylvania Labor Law

Award Info

Description	Requested	Awarded
Compensatory		\$0
Total	Not Specified	\$0

Arbitrators

Mark H. Stein	Chair
Thomas E Kopil	Public
James Christie	Industry

Award Notes
 *Claimants McCullough and Kiec dismissed their claims against Respondents with prejudice.

21-02389 Associated Person v. Member

Hearing Site: **New York, New York**
Award Date: **9/20/2023**

Side	Party	Attorney Name	Firm
C	Catalina Borrero	Kevin D. Galbraith, Esq.	Law Offices of Kevin Galbraith
R	Morgan Stanley & Co. Inc.	Jennifer Tomsen, Esq.	Greenberg Traurig, LLP

- Issues**
- Breach of Covenant of Good Faith and Fair Dealing
 - Declaration of Unenforceability
 - Rescission

Award Info

Description	Requested	Awarded
Compensatory	\$3,770,000	\$0
Atty Fees	\$35,000	\$0
Total	\$3,805,000	\$0

Award Notes

*The evidentiary hearing was conducted partially by videoconference.

Arbitrators

Harvey Barrison	Chair
Sandra M. Stephenson-Peterkin	Public
Alexander Asher Truitt	Industry

22-02278 Associated Person v. Member

Hearing Site: **New Orleans, Louisiana**
Award Date: **9/18/2023**

Side	Party	Attorney Name	Firm
C	Donovan Edward Davis	Dochtor Kennedy, Esq.	AdvisorLaw, LLC
		Harris Freedman, Esq.	AdvisorLaw, LLC
R	Merrill Lynch Pierce Fenner & Smith, Inc.	Katelyn H. Wilson, Esq.	Bressler, Amery & Ross, P.C.

- Issues**
- Expungement of Customer Complaint

Award Info

Description	Requested	Awarded
Total	Expungement	Granted

Arbitrators

Simeon B. Reimonenq, Jr.	Public
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Award Notes

*The Arbitrator recommends the expungement of all reference to Occurrence Nos. 82993, 82994, 82996, and 1294156 from Claimant Davis' registration records maintained by the CRD. The evidentiary hearing was conducted by videoconference.

22-02517 Associated Person v. Member

Hearing Site: San Juan, Puerto Rico
Award Date: 9/18/2023

Side	Party	Attorney Name	Firm
C	Ángel Manuel Canabal	Russell Del Toro-Parra, III, Esq.	Toro Colón Mullet, P.S.C.
R	UBS Financial Services Inc.	Rey F. Medina Velez, Esq.	UBS Financial Services Inc.

- Issues**
- Expungement of Customer Complaint

Award Info

Description	Requested	Awarded
Total	Expungement	Granted

Arbitrators

Louis David Huss | Public

Award Notes

*The Arbitrator recommends the expungement of all reference to Occurrence Nos. 1859867; 1808265; 1875364; 1818668; 1822471; 1827843; 1827845; 1972828; 1896622; 1867739; 1938534; 1936914; 1827844; 2046273; 2155219; and 2100860 from Claimant Canabal's registration records maintained by the CRD.

22-02759 Associated Person v. Member

Hearing Site: Montpelier, Vermont
Award Date: 9/19/2023

Side	Party	Attorney Name	Firm
C	Brad Lee Martin	Richard J. Babnick, Jr., Esq.	Sichenzia Ross FERENCE LLP
		Thomas McEvoy, Esq.	Sichenzia Ross FERENCE LLP
R	MML Investors Services, LLC	Martin Harris, Esq.	Harris & Affiliates, Ltd.

- Issues**
- Expungement of Customer Complaint

Award Info

Description	Requested	Awarded
Total	Expungement	Granted

Arbitrators

Louis H. Miron | Public

Award Notes

*The Arbitrator recommends the expungement of all reference to Occurrence No. 1976826 from Claimant Martin's registration records maintained by the CRD. The evidentiary hearing was conducted by videoconference.

23-00161 **Associated Person v. Member** Hearing Site: **Phoenix, Arizona** Award Date: **9/15/2023**

Side	Party	Attorney Name	Firm
C	Paul Andrew Siegel	Chelsea Bauer, Esq.	HLBS Law
R	Morgan Stanley	Emily Z. Culbertson, Esq.	Morgan Stanley & Co. Inc.

- Issues**
- Expungement of Customer Complaint

Award Info

Description	Requested	Awarded
Total	Expungement	Granted

Award Notes
 *The Arbitrator recommends the expungement of all reference to Occurrence No. 1575019 from Claimant Siegel's registration records maintained by the CRD. The expungement hearing was conducted by videoconference.

Arbitrators
 Timothy J. Kroll | Public

23-00625 **Associated Person v. Member** Hearing Site: **Los Angeles, California** Award Date: **9/15/2023**

Side	Party	Attorney Name	Firm
C	Kirk Badii	Stephan M. Louviere, Esq.	Louviere Law Firm
R	UBS Financial Services Inc.	John Murphy, Esq.	John Murphy & Associates

- Issues**
- Expungement of Customer Complaint

Award Info

Description	Requested	Awarded
Total	Expungement	Granted & Denied

Award Notes
 *The Arbitrator recommends the expungement of all reference to Occurrence no. 2044276 from Claimant Badii's registration records maintained by the CRD. Claimant's request for expungement of Occurrence Nos. 2024483, 2061297, 2071979, 2073061 and 2178952 were denied. This is an Explained Decision.

Arbitrators
 Morris S. Getzels | Public
Reasoned Award