

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

Richard J. Dorr, individually and as Trustee for Timothy E. Chesko Irrevocable Trust f/b/o Leah Chesko, Timothy E. Chesko Irrevocable Trust f/b/o Evan Chesko, Timothy E. Chesko Irrevocable Trust f/b/o Jenna Chesko, and Jody Chesko Irrevocable Trust, Jody R. Chesko Individually and as Trustee for Richard J. Dorr Irrevocable Life Insurance Trust

Case Number: 18-04139

vs.

Respondents

GWN Securities, Inc.
Lincoln Financial Advisors Corporation
Susan Coriale

Hearing Site: Buffalo, New York

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

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

This case was decided by an all-public panel.

The evidentiary hearing was conducted by videoconferencing.

REPRESENTATION OF PARTIES

For Claimants Richard J. Dorr, individually and as Trustee for Timothy E. Chesko Irrevocable Trust f/b/o Leah Chesko, Timothy E. Chesko Irrevocable Trust f/b/o Evan Chesko, Timothy E. Chesko Irrevocable Trust f/b/o Jenna Chesko, and Jody Chesko Irrevocable Trust; and Jody R. Chesko Individually and as Trustee for Richard J. Dorr Irrevocable Life Insurance Trust: Kevin T. O'Brien, Esq., Colligan Law LLP, Buffalo, New York.*

For Respondents Susan Coriale and GWN Securities, Inc. ("GWN"): Erin M. Maddocks, Esq., Akerman LLP, West Palm Beach, Florida.

For Respondent Lincoln Financial Advisors Corporation ("Lincoln"): Michael W. Arnold, Esq., Lincoln Financial Group, Fort Wayne, Indiana.

*FINRA recorded the appearance of Claimants' counsel at the time of filing of the Statement of Claim. Counsel's representation of Claimants may have ended with the parties' settlement. Please see the Other Issues Considered and Decided section of this Award for information on whether Claimants' counsel appeared at the expungement hearing.

CASE INFORMATION

Statement of Claim filed on or about: December 6, 2018.

Richard J. Dorr signed the Submission Agreement: December 5, 2018.

Richard J. Dorr as Trustee for Timothy E. Chesko Irrevocable Trust f/b/o Leah Chesko signed the Submission Agreement: December 5, 2018.

Richard J. Dorr as Trustee for Timothy E. Chesko Irrevocable Trust f/b/o Evan Chesko signed the Submission Agreement: December 5, 2018.

Richard J. Dorr as Trustee for Timothy E. Chesko Irrevocable Trust f/b/o Jenna Chesko signed the Submission Agreement: December 5, 2018.

Richard J. Dorr as Trustee for Jody Chesko Irrevocable Trust signed the Submission Agreement: December 5, 2018.

Jody R. Chesko signed the Submission Agreement: December 5, 2018.

Jody R. Chesko as Trustee for Richard J. Dorr Irrevocable Life Insurance Trust signed the Submission Agreement: December 5, 2018.

Joint Statement of Answer filed by Respondents GWN Securities, Inc. and Susan Coriale on or about: February 13, 2019.

GWN Securities Inc. signed the Submission Agreement: March 1, 2019.

Susan Coriale signed the Submission Agreement: February 27, 2019.

Statement of Answer filed by Respondent Lincoln Financial Advisors Corporation on or about: February 21, 2019.

Lincoln Financial Advisors Corporation signed the Submission Agreement: March 26, 2019.

CASE SUMMARY

Claimants asserted the following causes of action: fraud, unsuitability, violation of Section 10(b) of the Exchange Act and Rule 10b-5; violation of Section 10(b) of the Exchange Act and Rule 10b-5 based on *Respondeat Superior*; violation of Section 20(a) of the Securities and Exchange Act of 1934 against GWN and Lincoln; breach of duty of care and fiduciary duty of loyalty; and common law fraud. The causes of action relate to multiple securities.

Unless specifically admitted in the Statement of Answer, Respondents GWN Securities, Inc. and Susan Coriale denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in the Statement of Answer, Respondent Lincoln Financial Advisors Corporation denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested compensatory, consequential and/or lost opportunity damages of at least \$1,000,000.00; rescinding all unsuitable policies and/or contracts; punitive damages; costs, disbursements and reasonable attorneys' fees; and such other and further relief as deemed just and proper.

In the Statement of Answer, Respondents GWN Securities, Inc. and Susan Coriale requested that the Panel enter an award dismissing all of the claims alleged against them in this matter; that all forum fees and costs be assessed against Claimants; that GWN Securities, Inc. and Susan Coriale are entitled to an award of attorneys' fees in an amount to be determined by a court of appropriate jurisdiction; and expungement of all references to the above-captioned arbitration from the registration records of Susan Coriale maintained by the Central Registration Depository ("CRD").

In the Statement of Answer, Respondent Lincoln Financial Advisors Corporation requested that the Panel enter an award finding that the claims levied against Lincoln are frivolous; dismissing all pending claims with prejudice; assess all forum fees and costs against Claimants; award attorney's fees and other consequential damages to Lincoln; and all other just relief.

OTHER ISSUES CONSIDERED AND DECIDED

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

By Stipulation dated April 5, 2019, Claimants withdrew their claims, with prejudice, against Respondent Lincoln Financial Advisors Corporation.

On May 28, 2020, Claimants advised FINRA Dispute Resolution Services that Richard J. Dorr as Trustee for the Timothy E. Chesko Irrevocable Trust f/b/o Leah Chesko, Timothy E. Chesko Irrevocable Trust f/b/o Evan Chesko, and Timothy E. Chesko Irrevocable Trust f/b/o Jenna Chesko had reached a settlement with Respondents Susan Coriale and GWN Securities, Inc.

On August 31, 2020, Respondents GWN Securities, Inc. and Susan Coriale filed a Motion requesting expungement of all references to the above-captioned arbitration from the registration records of Susan Coriale maintained by the CRD. On September 10, 2020, Claimants filed a Response in opposition to Respondents' request for expungement. On September 15, 2020, Respondents Susan Coriale and GWN Securities, Inc. filed a Reply in further support of their motion for expungement.

By correspondence dated September 9, 2020, Claimants advised FINRA Dispute Resolution Services that this matter is settled as to all remaining Claimants. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim.

The Panel conducted a recorded, videoconference hearing on December 18, 2020 so the parties could present oral argument and evidence on Respondent Susan Coriale's request for expungement.

Claimants did not participate in the expungement hearing but opposed the request for expungement.

The Award in this matter may be executed in counterpart copies.

AWARD

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

1. Susan Coriale’s request for expungement of her CRD records is denied.

FEES

Pursuant to the Code of Arbitration Procedure (“Code”), the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Claim Filing Fee = \$ 2,000.00

**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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as parties, Respondents GWN Securities, Inc. and Lincoln Financial Advisors Corporation are each assessed the following:

Member Surcharge = \$ 3,025.00
Member Process Fee = \$ 6,175.00

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

Two (2) decisions on discovery-related motions on the papers with one (1) Arbitrator @ \$200.00/decision = \$ 400.00

Respondents GWN Securities, Inc. and Susan Coriale submitted two (2) discovery-related motions

Total Discovery-Related Motion Fees = \$ 400.00

The Panel has assessed the total discovery-related motion fees jointly and severally to Respondents GWN Securities, Inc. and Susan Coriale.

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, which lasts four (4) hours or less. Fees associated with these proceedings are:

Five (5) pre-hearing sessions with the Panel @ \$1,400.00/session	= \$	7,000.00
Pre-hearing Conferences: April 9, 2019	1 session	
May 21, 2019	1 session	
April 20, 2020	1 session	
July 21, 2020	1 session	
November 5, 2020	1 session	

One (1) hearing session on expungement request @ \$1,400.00/session	= \$	1,400.00
Hearing Date: December 18, 2020	1 session	

Total Hearing Session Fees	= \$	8,400.00
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The Panel has assessed \$1,400.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$1,400.00 of the hearing session fees jointly and severally to Claimants Richard J. Dorr, individually and as Trustee for the Jody Chesko Irrevocable Trust; and Jody R. Chesko individually and as Trustee for Richard J. Dorr Irrevocable Life Insurance Trust.

The Panel has assessed \$700.00 of the hearing session fees jointly and severally to Respondents.

The Panel has assessed \$3,500.00 of the hearing session fees jointly and severally to Respondents GWN Securities, Inc. and Susan Coriale.

The Panel has assessed the \$1,400.00 expungement hearing session fee to Respondent Susan Coriale.

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

ARBITRATION PANEL

Gerald W. Hepp	-	Public Arbitrator, Presiding Chairperson
Howard B. Cohen	-	Public Arbitrator
Ronald F Thompson	-	Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

Gerald W. Hepp

Gerald W. Hepp
Public Arbitrator, Presiding Chairperson

01/20/2021

Signature Date

Howard B. Cohen

Howard B. Cohen
Public Arbitrator

01/19/2021

Signature Date

Ronald F Thompson

Ronald F Thompson
Public Arbitrator

01/20/2021

Signature Date

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

January 22, 2021

Date of Service (For FINRA Dispute Resolution Services use only)