

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

Jeff Londis, Trustee of Londis Trust

Case Number: 19-01600

vs.

Respondent

UBS Financial Services Inc.

Hearing Site: Nashville, Tennessee

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: Customer vs. Member

This case was decided by an all-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Jeff Londis, Trustee of Londis Trust (“Claimant”): Jacob H. Zamansky, Esq., Zamansky LLC, New York, New York.

For Respondent UBS Financial Services Inc. (“Respondent”): Anthony J. Borrelli, Esq., Riker Danzig Scherer Hyland Perretti LLP, Morristown, New Jersey.

CASE INFORMATION

Statement of Claim filed on or about: June 7, 2019.

Claimant signed the Submission Agreement: June 7, 2019.

Statement of Answer filed by Respondent on or about: September 12, 2019.

Respondent signed the Submission Agreement: June 10, 2019.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: securities fraud; common law fraud and misrepresentation; unsuitability; breach of fiduciary duty; breach of contract; negligence; failure to supervise; and violation of federal security laws, Tennessee securities statutes, and FINRA rules. The causes of action relate to Claimant’s alleged losses

and damages in an account options strategy product offered by Respondent called the “Yield Enhancement Strategy” (“YES”).

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Equitable relief of rescission of all trading losses, mandates and disgorgement of all fees received by Respondent;
2. Compensatory damages of approximately \$1,000,000.00, including recovery of all trading losses and fees received by Respondent;
3. Recovery of pre- and post- award interest;
4. Costs;
5. Expenses;
6. Attorney’s fees;
7. Expert fees;
8. Forum fees; and
9. Punitive damages in such amount as this Panel deems appropriate and just.

In the Statement of Answer, Respondent requested:

1. Dismissal of Claimant’s Statement of Claim in its entirety and with prejudice;
2. Expungement of this matter from the Central Registration Depository (“CRD”) records of unnamed party Joseph Romanchik (“Romanchik”) (CRD No. 2162502);
3. Expungement of this matter from the CRD records of unnamed party Joel Hollis (“Hollis”) (CRD No. 705177); and
4. Expungement of this matter from the CRD records of unnamed party Matthew Buchsbaum (“Buchsbaum”) (CRD No. 2220565).

OTHER ISSUES CONSIDERED AND DECIDED

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

During the recorded evidentiary hearing, the parties presented oral argument and evidence on Romanchik’s, Hollis’s and Buchsbaum’s requests for expungement. Claimant opposed the requests for expungement.

The Panel reviewed Romanchik’s, Hollis’s and Buchsbaum’s BrokerCheck® Reports.

In recommending expungement, the Panel relied upon the following documentary or other evidence: testimony, Claimant’s exhibits and the totality of the evidence.

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. Claimant's claims are denied in their entirety.
2. The Panel recommends the expungement of all references to the above-captioned arbitration (Occurrence Numbers 2039267, 2039268, and 2038366) from registration records maintained by the CRD for Unnamed Parties Joseph John Romanchik (CRD No. 2162502), Joel T. Hollis (CRD No. 705177), Matthew Stern Buchsbaum (CRD No. 2220565) with the understanding that, pursuant to Notice to Members 04-16, Unnamed Parties Joseph John Romanchik, Joel T. Hollis, and Matthew Stern Buchsbaum must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 12805 of the Code of Arbitration Procedure ("Code"), the Panel has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The claim, allegation, or information is false.

The Panel has made the above Rule 2080 findings based on the following reasons:

Claimant is an informed, astute, and knowledgeable investor. His portfolio grew from approximately \$15,000,000.00 to approximately \$31,000,000.00 during the relevant time period. The investment at issue is the "YES" program. It was a new, high risk issue. This options program was high risk and high rewards with both potential volatility trading and options strategies. The risks were fully disclosed and expressly acknowledged by Claimant. Claimant remained in the program long after the losses in 2018. He is still an investor with Respondent.

The Panel finds it totally unreasonable for Claimant to claim a loss on one investment when his overall balanced portfolio doubled during the relevant time period and he remains with the advisor, Romanchik, to this day.

The other two unnamed parties, Hollis and Buchbaum, were not involved with Claimant and this claim.

3. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and attorneys' fees, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee	=\$ 1,725.00
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**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, UBS Financial Services Inc. is assessed the following:

Member Surcharge	=\$ 2,475.00
Member Process Fee	=\$ 5,075.00

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

October 27, 2021 postponement requested by Respondent	=\$ 1,300.00
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Total Postponement Fees	=\$ 1,300.00
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The Panel has assessed the total postponement fees to Respondent.

Last-Minute Cancellation Fees

Fees apply when a hearing on the merits is cancelled within three business days before the start of a scheduled hearing session:

October 27, 2021 postponement requested by Respondent	=\$ 1,800.00
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Total Last-Minute Cancellation Fees	=\$ 1,800.00
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The Panel has assessed the total last-minute cancellation fees to Respondent.

Discovery-Related Motion Fees

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

One (1) decision on a discovery-related motion on the papers with one (1) Arbitrator @ \$200.00/decision	=\$ 200.00
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Claimant submitted One (1) discovery-related motion

Total Discovery-Related Motion Fees	=\$ 200.00
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The Panel has assessed \$100.00 of the discovery-related motion fees to Claimant.

The Panel has assessed \$100.00 of the discovery-related motion fees to Respondent.

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 Arbitrator(s), including a pre-hearing conference with the Arbitrator(s), which lasts four (4) hours or less. Fees associated with these proceedings are:

Five (5) pre-hearing sessions with the Panel @ \$1,300.00/session		= \$ 6,500.00
Pre-Hearing Conferences:		
September 19, 2019	1 session	
December 2, 2020	1 session	
August 13, 2021	1 session	
August 17, 2021	1 session	
August 31, 2021	1 session	
Eight (8) hearing sessions @ \$1,300.00/session		= \$ 10,400.00
Hearings:		
October 25, 2021	2 sessions	
October 26, 2021	2 sessions	
October 28, 2021	2 sessions	
October 29, 2021	2 sessions	
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Total Hearing Session Fees		= \$ 16,900.00

The Panel has assessed \$7,150.00 of the hearing session fees to Claimant.

The Panel has assessed \$7,150.00 of the hearing session fees to Respondent.

The Panel has waived \$2,600.00 of the hearing session fees.

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

ARBITRATION PANEL

Thomas Joseph Atkinson, Sr.	-	Public Arbitrator, Presiding Chairperson
A.J. Seier	-	Public Arbitrator
Douglas Charles Weinstein	-	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.

Concurring Arbitrators' Signatures

Thomas Joseph Atkinson, Sr.
Public Arbitrator, Presiding Chairperson

Signature Date

A.J. Seier

A.J. Seier
Public Arbitrator

11/17/2021

Signature Date

Douglas Charles Weinstein

Douglas Charles Weinstein
Public Arbitrator

11/17/2021

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.

November 19, 2021


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

ARBITRATION PANEL

Thomas Joseph Atkinson, Sr.	-	Public Arbitrator, Presiding Chairperson
A.J. Seier	-	Public Arbitrator
Douglas Charles Weinstein	-	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.

Concurring Arbitrators' Signatures



Thomas Joseph Atkinson, Sr.
Public Arbitrator, Presiding Chairperson

11/18/21

Signature Date

A.J. Seier
Public Arbitrator

Signature Date

Douglas Charles Weinstein
Public Arbitrator

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.

December 7, 2021

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

RECEIVED

NOV 22 2021

FINRA
Washington, DC