

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Timothy Greer

Case Number: 19-01854

vs.

Respondents
Royal Alliance Associates, Inc.
Signator Investors, Inc.
Carol Jean Chiarito

Hearing Site: Denver, Colorado

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. Members and Associated Person

This case was decided by a majority-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Timothy Greer (“Claimant”): Mark J. Appleton, Esq., Moseley, Busser & Appleton, P.C., Centennial, Colorado.

For Respondent Royal Alliance Associates, Inc. (“Royal Alliance”): Gregory M. Curley, Esq., Royal Alliance Associates, Inc., Jersey City, New Jersey.

For Respondent Signator Investors, Inc. (“Signator Investors”): John Hitchings, Esq., Sichenzia Ross Ferece LLP, New York, New York.

For Respondent Carol Jean Chiarito (“Chiarito”): Joshua B. Kons, Esq., Law Offices of Joshua B. Kons, LLC, Weatogue, Connecticut.

CASE INFORMATION

Statement of Claim filed on or about: July 1, 2019.

Amended Statement of Claim filed on or about: September 12, 2019.

Second Amended Statement of Claim filed on or about: December 19, 2019.

Answer to Counterclaim filed on or about: October 21, 2019.

Amended Answer to Counterclaim filed on or about: December 19, 2019.

Claimant signed the Submission Agreement: July 1, 2019.

Statement of Answer filed by Royal Alliance on or about: October 15, 2019.

Statement of Answer filed by Signator Investors on or about: October 2, 2019.

Answer to the Second Amended Statement of Claim filed by Signator Investors on or about: January 8, 2020.

Statement of Answer and Counterclaim filed by Chiarito on or about: October 1, 2019

Answer to the Second Amended Statement of Claim filed by Chiarito on or about: January 4, 2020.

Royal Alliance signed the Submission Agreement: October 15, 2019.

Signator Investors, Inc. signed the Submission Agreement: November 5, 2019.

Chiarito signed the Submission Agreement: October 2, 2019.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: misrepresentation; non-disclosures; omission of facts; suitability; and failure to supervise.

In the Amended Statement of Claim, Claimant named Royal Alliance Associates, Inc. as an additional respondent and asserted the following causes of action: negligent misrepresentation; misrepresentation; omissions; negligence; offer and sale of unregistered securities, not entitled to exemption from registration; misrepresentations and omissions of material fact under the Colorado Securities Act, C.R.S. § 11-51-501(1)(b); principal and agent – agency liability; respondeat superior liability; control person liability – failure to properly supervise; and violation of FINRA rules and regulations, including industry standards of care.

In the Second Amended Statement of Claim, Claimant asserted frivolous and groundless counterclaim under §§ 13-17-101 and 13-17-102 and abuse of process under Colorado Law as additional causes of action against Chiarito.

The causes of action relate to Claimant's private placement investment in CarematchAmerica, Inc.

In their respective Statements of Answer and Answers to the Second Amended Statement of Claim, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In her Counterclaim, Chiarito asserted the following causes of action: breach of contract and implied promise of good faith and fair dealing; negligence; gross negligence; reckless and/or willful misconduct; tortious interference with business relations; and abuse of process. The causes of action relate to Claimant's investment in CarematchAmerica, Inc.

Unless specifically admitted in the Answer to the Counterclaim and Amended Answer to the Counterclaim, Claimant denied the allegations made in Chiarito's Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Compensatory damages in the amount of \$25,000.00; and
2. Opportunity costs in an approximate amount of \$8,900.00 based on the S&P 500 performance or actual costs of approximately \$23,000.00 in accrued interest.

In the Amended Statement Claim, Claimant requested an award in his favor with a damage amount not exceeding \$50,000.00, exclusive of interest and expenses, and based on one of the following damage calculations:

1. Compensatory damages in the amount of \$25,000.00 plus \$8,900.00 based on the S & P 500 performance during the relevant period of time;
2. Compensatory damages in the amount of \$25,000.00 plus accrued interest of \$6,000.00;
3. Compensatory damages in the amount of \$25,000.00 plus 8% annual compounded interest and reasonable attorneys' fees on the Colorado Securities Act claims; or
4. Compensatory damages in the amount of \$25,000.00 plus prejudgment or moratory interest under the Colorado law at the legal rate of 8% annual compounded interest.

In the Second Amended Statement Claim, Claimant requested:

1. An award in his favor with a damage amount based on one of the following damage calculations against Respondents:
 - a. compensatory damages in the amount of \$25,000.00 plus \$8,900.00 based on the S & P 500 performance during the relevant period of time;
 - b. compensatory damages in the amount of \$25,000.00 plus accrued interest of \$6,000.00;
 - c. compensatory damages in the amount of \$25,000.00 plus 8% annual compounded interest and reasonable attorneys' fees on the Colorado Securities Act claims; or
 - d. compensatory damages in the amount of \$25,000.00 plus prejudgment or moratory interest under the Colorado law at the legal rate of 8% annual compounded interest;
2. Costs, expenses, interests, and attorneys' fees incurred in defending the Counterclaim against Chiarito; and
3. Any other and further relief as the Panel deems just and appropriate.

In their Statements of Answer, Royal Alliance and Signator Investors requested:

1. Claimant's Amended Statement of Claim be denied with prejudice; and
2. Such other and further relief that the Panel deems just, equitable, and proper.

In the Answer to the Second Amended Statement of Claim, Signator Investors requested:

1. Claimant's Second Amended Statement of Claim be denied with prejudice; and
2. Such other and further relief that the Panel deems just, equitable, and proper.

In her Statement of Answer, Answer to the Second Amended Statement of Claim, and Counterclaim, Chiarito requested:

1. Claimant take nothing by way of his Statement of Claim;
2. Compensatory damages as may be determined in an amount according to proof between \$100,000.00 and \$500,000.00;
3. Attorneys' fees, costs and expenses incurred herein;

4. Expungement of all reference to this arbitration from Chiarito's Central Registration Depository ("CRD") registration records; and
5. Such other and further relief as the Panel deems just and proper.

In the Answer to Counterclaim and Amended Answer to the Counterclaim, Claimant requested:

1. Chiarito's counterclaim be denied in its entirety; and
2. All costs, expenses, interest, and reasonable attorneys' fees incurred with defending this action.

OTHER ISSUES CONSIDERED AND DECIDED

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

At the initial pre-hearing conference held on December 9, 2019, Claimant requested to amend the Statement of Claim. On that same day, the Panel issued an order granting the request to amend the Statement of Claim with no substantive changes and reserving Respondents' rights to file responsive pleadings including dispositive motions.

On January 11, 2021, Claimant filed a notice of voluntary dismissal of his claims against Royal Alliance and Signator Investors. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim, Amended Statement of Claim, and Second Amended Statement of Claim against Royal Alliance and Signator Investors.

During the recorded evidentiary hearing, Chiarito presented oral argument and evidence on her request for expungement. Claimant did not oppose the request for expungement. The Panel reviewed Chiarito's BrokerCheck® Report.

In recommending expungement, the Panel relied upon the following documentary or other evidence: pleadings; exhibits; Chiarito's testimony; and the BrokerCheck® Report .

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. Claimant is liable for and shall pay to Chiarito the sum of \$28,000.00 in compensatory damages.
3. The Panel recommends the expungement of all references to the above-captioned arbitration (Occurrence Number 1965797) from registration records maintained by the CRD for Respondent Carol Jean Chiarito (CRD Number 4718887) with the understanding that, pursuant to Notice to Members 04-16, Respondent Carol Jean Chiarito 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 finding of fact:

The claim, allegation, or information is false.

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

After hearing the dispute for three days, the Panel found that Claimant’s premise for his complaint was his recollection of a fact which induced him to invest. The Panel found that premise not to be true, which is the justification for the conclusion that the claims against Chiarito were false.

4. Any and all claims for relief not specifically addressed herein, including any requests for 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	= \$	600.00
Counterclaim Filing Fee	= \$	1,425.00

**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, Royal Alliance is assessed the following:

Member Surcharge	= \$	750.00
Member Process Fee	= \$	3,750.00

Postponement Fees

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

September 15-18 and September 22-25, 2020 postponement requested by parties	=	WAIVED
July 20-23 and July 27-30, 2021, postponement requested by parties	=	WAIVED

Discovery-Related Motion Fees

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

Three (3) decisions on a discovery-related motion on the papers with one (1) Arbitrator @ \$200.00/decision = \$ 600.00

Claimant submitted two (2) discovery-related motions
Chiarito submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 600.00

The Panel has assessed \$380.00 of the discovery-related motion fees to Claimant.

The Panel has assessed \$20.00 of the discovery-related motion fees jointly and severally to Respondents.

The Panel has assessed \$200.00 of the discovery-related motion fees to Chiarito.

Contested Motion for Issuance of Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

Two (2) decisions on a contested motions for the issuance of a subpoena with one Arbitrator @ \$200.00 = \$ 400.00

Total Contested Motion for Issuance of Subpoena Fees = \$ 400.00

The Panel has assessed \$120.00 of the contested motion for issuance of subpoena fees to Claimant.

The Panel has assessed \$180.00 of the contested motion for issuance of subpoena fees jointly and severally to Respondents.

The Panel has assessed \$100.00 of the contested motion for issuance of subpoena fees to Chiarito.

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:

Two (2) pre-hearing sessions with the Panel @ 1,125.00/session = \$ 2,250.00
Pre-Hearing Conferences: December 9, 2019 1 session
October 21, 2021 1 session

Six (6) hearing sessions @ \$1,125.00/session = \$ 6,750.00
Hearings: November 16, 2021 2 sessions
November 17, 2021 2 sessions
November 18, 2021 2 sessions

Total Hearing Session Fees	= \$	9,000.00
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The Panel has assessed \$4,218.75 of the hearing session fees to Claimant.

The Panel has assessed \$843.75 of the hearing session fees jointly and severally to Respondents.

The Panel has assessed \$3,937.50 of the hearing session fees to Chiarito.

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

ARBITRATION PANEL

Leonard M. Goldstein	-	Public Arbitrator, Presiding Chairperson
Julie Judith Lurman Joly	-	Public Arbitrator
Albert Lee Birdsell	-	Non-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

Leonard M. Goldstein

Leonard M. Goldstein
Public Arbitrator, Presiding Chairperson

11/23/2021

Signature Date

Julie Judith Lurman Joly

Julie Judith Lurman Joly
Public Arbitrator

11/23/2021

Signature Date

Albert Lee Birdsell

Albert Lee Birdsell
Non-Public Arbitrator

11/23/2021

Signature Date

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November 23, 2021

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