

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

John C. Gorsline
Susan Rhodes-Greene

Case Number: 19-02215

vs.

Respondent

Next Financial Group, Inc.
Sandra Lynn Kobel

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. Member and Associated Person.

This case was decided by an all-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimants John C. Gorsline, and Susan Rhodes-Greene: Bradford M. Gucciardo, Esq., Gucciardo Law Group, P.A., Lakewood Ranch, Florida. *

For Respondents Next Financial Group, Inc. and Sandra Lynn Kobel: John Hitchings, Esq., Sichenzia Ross Ference LLP, New York, New York.

*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: August 7, 2019.

John C. Gorsline signed the Submission Agreement: August 7, 2019.

Susan Rhodes-Greene signed the Submission Agreement: August 7, 2019.

Joint Statement of Answer filed by Respondents on or about: October 15, 2019.

Next Financial Group, Inc. signed the Submission Agreement: November 19, 2019.

Sandra Lynn Kobel signed the Submission Agreement: November 8, 2019.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: common law fraud; breach of fiduciary duty; negligence (gross negligence); and breach of contract. The causes of action relate to investments in AR Healthcare Trust, the Cole Credit Property Trust, the Steadfast Income REIT Fund, WP Carey Corp. Property Associates, the Phillips Edison & Company Fund, the FS Energy and Power Fund, and variable annuity.

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

RELIEF REQUESTED

In the Statement of Claim, Claimants requested: compensatory damages of at least \$600,000.00; punitive damages of \$1,800,000; pre-award and post-award interest at the legal rate; all costs and fees incurred in this action including all forum fees, expert-witness related fees, additional costs/fees incurred by counsel, and attorneys' fees; and such further relief as deemed just and appropriate.

In the Joint Statement of Answer, Respondents requested that the Panel deny the Statement of Claim with prejudice; make an express finding that the claims against Sandra Lynn Kobel qualify for expungement, allowing her to seek an order from a court of competent jurisdiction confirming the Award; assess all FINRA forum fees and arbitrator fees against Claimants; award costs and expenses to Respondents; and grant Respondents such other and further relief that the Panel deems just, equitable, and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

On July 8, 2020, Claimants withdrew all claims asserted against Respondent Sandra Lynn Kobel, with prejudice. On January 13, 2021, Claimants withdrew all claims asserted against Respondent Next Financial Group, Inc., with prejudice. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim.

On February 18, 2021, Respondent Sandra Lynn Kobel filed a Motion for Expungement of all references to the above-captioned arbitration from her registration records maintained by the Central Registration Depository ("CRD"), to which no response was filed.

The Panel conducted a recorded hearing by videoconference on May 18, 2021, so the parties could present oral argument and evidence on Sandra Lynn Kobel's request for expungement.

Claimants and counsel did not participate in the expungement hearing.

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. Sandra Lynn Kobel's request for expungement of the above-captioned arbitration (Occurrence Number 2008218) from her registration records maintained by the CRD 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
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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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent Next Financial Group, Inc. is assessed the following:

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

Late Pre-Hearing Cancellation Fees

Fees apply when a pre-hearing conference is cancelled within three business days of the scheduled conference:

November 25, 2019, cancellation requested by the parties	=\$ 300.00
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Total Late Pre-Hearing Cancellation Fees	=\$ 300.00

The Panel has assessed \$150.00 of the late pre-hearing cancellation fees jointly and severally to Claimants.

The Panel has assessed \$150.00 of the late pre-hearing cancellation fees jointly and severally to Respondents.

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:

One (1) pre-hearing session with a single Arbitrator @ \$450.00/session	= \$	450.00
Pre-Hearing Conference: October 14, 2020	1 session	
One (1) pre-hearing session with the Panel @ \$1,400.00/session	= \$	1,400.00
Pre-Hearing Conference: December 3, 2019	1 session	
One (1) hearing session on expungement request @ \$1,400.00/session	= \$	1,400.00
Hearing: May 18, 2021	1 session	
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Total Hearing Session Fees	= \$	3,250.00

The Panel has assessed \$925.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$925.00 of the hearing session fees jointly and severally to Respondents.

The Panel has assessed \$1,400.00 of the hearing session fees to Respondent Sandra Lynn Kobel.

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

ARBITRATION PANEL

Barry Goldman	-	Public Arbitrator, Presiding Chairperson
Gerald W. Hepp	-	Public Arbitrator
Joseph Maron Hanna	-	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

Barry Goldman

Barry Goldman
Public Arbitrator, Presiding Chairperson

05/24/2021

Signature Date

Gerald W. Hepp

Gerald W. Hepp
Public Arbitrator

05/27/2021

Signature Date

Joseph Maron Hanna

Joseph Maron Hanna
Public Arbitrator

05/27/2021

Signature Date

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June 02, 2021

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