

**Award**  
**FINRA Dispute Resolution Services**

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In the Matter of the Arbitration Between:

Claimant  
Daniel G. Dillard

Case Number: 19-02368

vs.

Respondent  
SagePoint Financial, Inc.

Hearing Site: Houston, Texas

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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: Associated Person vs. Member

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

For Claimant Daniel G. Dillard (“Claimant”): Bogdan Rentea, Esq., Rentea & Associates, Austin, Texas.

For Respondent SagePoint Financial, Inc. (“Respondent”): Will S. Montgomery, Esq., WMontgomery Law Group, PLLC, Dallas, Texas and Gregory M. Curley, Esq., SagePoint Financial, Inc., Jersey City, New Jersey.

**CASE INFORMATION**

Statement of Claim filed on or about: August 19, 2019.

Statement of Answer to Counterclaim filed on or about: October 25, 2019.

Claimant signed the Submission Agreement: August 18, 2019.

Statement of Answer and Counterclaim filed on or about: October 2, 2019.

Respondent signed the Submission Agreement: October 2, 2019.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted a claim alleging that the Form U5 filed by Respondent, as part of registration records maintained by the Central Registration Depository (“CRD”), is defamatory in nature. Claimant also alleged that Respondent attempted to improperly acquire his book of business.

Unless specifically admitted in the Statement of Answer and Counterclaim, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. Respondent alleged that a loan to Claimant became immediately due and payable upon termination of Claimant's affiliation with Respondent, as offset by Claimant's commissions which were retained by Respondent.

Unless specifically admitted in the Statement of Answer to Counterclaim, Claimant denied the allegations made in the Counterclaim.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested expungement of the Form U5 filed by Respondent, compensatory damages of at least \$1,000,000.00 but not more than \$2,500,000.00, punitive damages of twice the amount of compensatory damages awarded, attorneys' fees, and such other and further relief, at law and in equity, to which he may show himself justly entitled.

In the Statement of Answer and Counterclaim, Respondent requested that the Panel deny Claimant's claims in their entirety with prejudice; assess all forum fees, costs and expenses against Claimant; award Respondent the sum of \$18,061.09 on its Counterclaim; and such other and further relief as the Panel deems just and equitable.

In the Statement of Answer to Counterclaim, Claimant requested that Respondent prove its allegations by a preponderance of the evidence.

At the hearing, Claimant requested \$70,000.00 in attorneys' fees.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

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

## FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

### Filing Fees

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

Initial Claim Filing Fee	=\$ 2,250.00
Counterclaim Filing Fee	=\$ 1,050.00

*\*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, Respondent assessed the following:

Member Surcharge	=\$ 3,600.00
Member Process Fee	=\$ 6,800.00

### Postponement Fees

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

May 19-22, 2020, postponement requested by the parties	Waived
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### 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:

Three (3) pre-hearing sessions with the Panel @ \$1,500.00/session	=\$ 4,500.00
Pre-Hearing Conferences: December 11, 2019	1 session
November 2, 2020	1 session
February 26, 2021	1 session
Four (4) hearing sessions @ \$1,500.00/session	=\$ 6,000.00
Hearings: March 2, 2021	2 sessions
March 3, 2021	2 sessions
<hr/> Total Hearing Session Fees	<hr/> =\$ 10,500.00

The Panel has assessed \$8,250.00 of the hearing session fees to Claimant.

The Panel has assessed \$2,250.00 of the hearing session fees to Respondent.

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

**ARBITRATION PANEL**

Michael S. Yauch	-	Public Arbitrator, Presiding Chairperson
Mark Ritchie	-	Public Arbitrator
Carlton A. Butler	-	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**

***Michael S. Yauch***

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Michael S. Yauch  
Public Arbitrator, Presiding Chairperson

***03/05/2021***

\_\_\_\_\_  
Signature Date

***Mark Ritchie***

\_\_\_\_\_  
Mark Ritchie  
Public Arbitrator

***03/05/2021***

\_\_\_\_\_  
Signature Date

***Carlton A. Butler***

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Carlton A. Butler  
Non-Public Arbitrator

***03/05/2021***

\_\_\_\_\_  
Signature Date

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March 05, 2021

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