

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

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In the Matter of the Arbitration Between:

Claimant  
NewBridge Securities Corporation

Case Number: 19-03385

vs.

Respondent  
Gaetano Magarelli

Hearing Site: Boca Raton, Florida

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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: Member vs. Associated Person

The evidentiary hearing was conducted by videoconference.

**REPRESENTATION OF PARTIES**

For Claimant NewBridge Securities Corporation: Gregg J. Breitbart, Esq. and Kevin D. Tragesser, Esq., Kaufman Dolowich & Voluck LLP, Fort Lauderdale, Florida.

Respondent Gaetano Magarelli appeared pro se.

**CASE INFORMATION**

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

NewBridge Securities Corporation signed the Submission Agreement: November 12, 2019.

Statement of Answer and Counterclaim filed by Respondent on or about: April 6, 2020.

Gaetano Magarelli signed the Submission Agreement: April 9, 2020.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the causes of action of breach of contract and indemnification. The causes of action relate to Respondent's alleged failure to reimburse Claimant for costs incurred in connection with the settlement of a separate customer arbitration claim (Occurrence Number 1930416) pursuant to the terms of two fully-executed Registered Representative Agreements dated March 22, 2010 and May 6, 2010 (the "Agreements").

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted a Counterclaim for failure to pay compensation from December 2017-January 2018, in violation of labor law, and damage to reputation in connection

with statements made by Claimant on Respondent's Central Registration Depository ("CRD") records.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested: \$67,695.00, representing the amount due to in connection with the investigation, defense, and settlement of Occurrence Number 1930416; pre and post-award interest, in an amount to be determined by the Arbitrator; costs and expenses of this proceeding, including reasonable attorneys' fees and all FINRA forum and processing fees; and such other and further relief as the Arbitrator deems just and proper.

In the Statement of Answer, Respondent requested that the Arbitrator: fully dismiss Claimant's claim in its entirety, with prejudice; grant summary judgment; expunge all references to this matter as well as Occurrence Number 1930416 from Respondent's CRD records; return all monies Claimant retained from Respondent in connection with Occurrence Number 1930416, in the amount of \$7,305.00; award pre and post-judgment interest in the amount determined by the Arbitrator to be fair and equitable; award costs and expenses incurred in this proceeding, including reasonable attorneys' fees during the time period that Respondent was represented by counsel; award compensation for loss of earnings due to Claimant's improper filing of information on Respondent's CRD records, causing the registered representative an irreparable ability to be hired by other firms since his resignation; and award such other and further relief as the Arbitrator deems just and equitable.

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

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

Respondent did not raise his Counterclaim during the evidentiary hearing. Therefore, the Arbitrator did not consider any of the claims contained therein.

The Arbitrator deemed Respondent's request for expungement to be withdrawn because Respondent did not provide any testimony or evidence in support thereof.

### **AWARD**

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

1. Respondent is liable for and shall pay to Claimant the sum of \$40,000.00 in compensatory damages.
2. Respondent's Counterclaim is dismissed without prejudice.
3. Any and all claims for relief not specifically addressed herein, including any requests for interest and attorneys' fees, are 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	=\$ 1,750.00
Counterclaim Filing Fee	WAIVED

\*The filing fee is made up of a non-refundable and a refundable portion.

The Arbitrator has waived the Counterclaim filing fee.

### 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, Claimant is assessed the following:

Member Surcharge	=\$ 1,100.00
Member Process Fee	=\$ 2,250.00

### 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

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

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

### Hearing Session Fees and Assessments

The Arbitrator 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:

One (1) pre-hearing session with a single Arbitrator @ \$450.00/session	=\$ 450.00
Pre-Hearing Conference: May 5, 2020	1 session

Four (4) hearing sessions @ \$450.00/session	=\$ 1,800.00
Hearings: February 16, 2021	2 sessions
February 17, 2021	2 sessions

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Total Hearing Session Fees =\$ 2,250.00

The Arbitrator has assessed \$1,125.00 of the hearing session fees to Claimant.

The Arbitrator has assessed \$1,125.00 of the hearing session fees to Respondent.

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

**ARBITRATOR**

Herbert Branitsky

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Sole 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.

**Arbitrator's Signature**

***Herbert Branitsky***

Herbert Branitsky  
Sole Public Arbitrator

**02/23/2021**

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.

February 23, 2021

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