

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant

Curtis D. Hertel Rev Liv Trust

Case Number: 20-01124

vs.

Respondent

Sandlapper Securities, LLC

Hearing Site: Boca Raton, Florida

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 a majority non-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Curtis D. Hertel Rev Liv Trust: Kristian Kraszewski, Esq., Kyros Law, Coral Gables, Florida.

Respondent Sandlapper Securities, LLC (“Sandlapper”): Joseph A. Ingrisano, Esq. and David R. Fox, Esq., Kutak Rock LLP, Washington, District of Columbia until January 19, 2021; thereafter, Trevor L. Gordon, CEO, Sandlapper Securities, LLC, Greenville, South Carolina.

CASE INFORMATION

Statement of Claim filed on or about: April 6, 2020.

Curtis D. Hertel Rev Liv Trust signed the Submission Agreement: April 6, 2020.

Statement of Answer filed by Respondent on or about: June 10, 2020.

Sandlapper Securities, LLC signed the Submission Agreement: June 12, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of fiduciary duty; violation of FINRA rules, breach of contract, and negligence; and negligent supervision. The causes of action relate to Claimant’s investment in GPB Automotive Portfolio, LP and GPB Waste Management, LP.

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: actual damages of \$175,000.00, as well as damages for the loss of income that would have been received had Claimant's money been managed properly, as well as all other losses, foreseeable or not, that Claimant suffered, including non-pecuniary losses; disgorgement and return of all fees, management charges, and commissions; interest on Claimant's losses at the legal rate; Claimant's costs and expenses; rescission and/or statutory damages; and for such other and additional damages and relief as deemed just and equitable by the Panel.

In the Statement of Answer, Respondent requested that all claims be dismissed in their entirety.

At the close of the hearing, Claimant requested attorneys' fees pursuant to FINRA Rule 12212 for Respondent's failure to comply with the Panel's Order, dated July 16, 2021, on Claimant's Motion to Compel.

OTHER ISSUES CONSIDERED AND DECIDED

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

Chairperson Michael Lau was properly classified as public at the time of appointment to the Panel in this matter. In the interim, Chairperson Lau's arbitrator classification changed to non-public.

Respondent did not appear at the evidentiary hearing. Upon review of the file, the Panel determined that Respondent received due notice of the hearing and that arbitration of the matter would proceed without Respondent present, in accordance with the Code.

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. Respondent is liable for and shall pay to Claimant the sum of \$155,187.50 in compensatory damages.
2. Respondent is liable for and shall pay to Claimant interest on the above-stated sum at the annual Florida Statutory rate accumulating daily from January 1, 2019 until satisfaction of the Award.
3. Respondent is liable for and shall pay to Claimant the sum of \$50,000.00 in attorneys' fees pursuant to FINRA Rule 12212(a).

4. Respondent is liable for and shall pay to Claimant the sum of \$300.00, which represents reimbursement of the non-refundable portion of the filing fee previously paid by Claimant to FINRA Dispute Resolution Services.
5. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and treble damages, 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 =\$ 1,425.00

**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, Respondent Sandlapper is assessed the following:

Member Surcharge =\$ 1,700.00
Member Process Fee =\$ 3,250.00

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: July 27, 2020	1 session
July 14, 2021	1 session
One (1) hearing session @ \$1,125.00/session	=\$ 1,125.00
Hearing: November 5, 2021	1 session
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Total Hearing Session Fees	=\$ 3,375.00

The Panel has assessed the total hearing session fees to Respondent.

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

ARBITRATION PANEL

Michael Lau	-	Non-Public Arbitrator, Presiding Chairperson
Maria Rosa Scalone	-	Public Arbitrator
Melanie S. Cherdack	-	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 Lau

Michael Lau
Non-Public Arbitrator, Presiding Chairperson

11/12/2021

Signature Date

Maria Rosa Scalone

Maria Rosa Scalone
Public Arbitrator

11/15/2021

Signature Date

Melanie S. Cherdack

Melanie S. Cherdack
Non-Public Arbitrator

11/15/2021

Signature Date

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November 16, 2021

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