

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

---

In the Matter of the Arbitration Between:

Claimants

Lawrence A. Savarese Jr., as Trustee of the Lawrence A. Savarese Revocable Living Trust, and Jennifer D. Port, as Trustee of the Jennifer Laird 2013 Family Trust

Case Number: 20-01542

vs.

Respondent

Raymond, James & Associates, Inc.

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: Customers vs. Member

This case was decided by an all-public panel.

**REPRESENTATION OF PARTIES**

For Claimants Lawrence A. Savarese Jr., as Trustee of the Lawrence A. Savarese Revocable Living Trust, and Jennifer D. Port, as Trustee of the Jennifer Laird 2013 Family Trust: Edward H. Glenn, Jr., Esq., Zamansky, LLC, New York, New York.

For Respondent Raymond, James & Associates, Inc.: Mark L. Parmelee, Esq. and George D. Sullivan, Esq., Greenberg Traurig, LLP, White Plains, 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: May 15, 2020.

Lawrence A. Savarese, Jr. as Trustee signed the Submission Agreement: May 15, 2020.

Jennifer D. Port as Trustee signed the Submission Agreement: May 15, 2020.

Statement of Answer filed by Respondent on or about: August 24, 2020.

Raymond, James & Associates, Inc. signed the Submission Agreement: May 22, 2020.

### **CASE SUMMARY**

In the Statement of Claim, Claimants asserted the following causes of action: fraud; misrepresentation; unsuitability; unsuitable product; breach of fiduciary duty; negligence; failure to supervise; control person liability; breach of contract; and respondeat superior, under federal securities laws, FINRA regulations, applicable state securities laws and applicable common law. The causes of action relate to Claimants' investments in a highly speculative options strategy called Collateral Yield Enhancement Strategy managed by Harvest Volatility Management Inc. ("Harvest CYES").

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, Claimants requested: equitable relief of rescission of all trading losses, mandates and disgorgement of all margin interest and fees charged; compensatory damages of approximately \$1,000,000.00 to the Savarese Trust, including recovery of all trading losses, margin interest and fees charged and well-managed account damages; compensatory damages of approximately \$300,000.00 to the Laird Trust, including recovery of all trading losses, margin interest and fees charged and well-managed account damages; recovery of pre- and post-award interest, costs, expenses, attorneys' fees, expert fees, and forum fees of this arbitration; and punitive damages in such amount as this Panel deems appropriate and just to punish and deter Respondent from any future similar conduct.

In the Statement of Answer, Respondent requested that Claimants' Statement of Claim be dismissed in its entirety with prejudice and that all forum costs be assessed against Claimants.

Respondent filed a request for expungement on behalf of Unnamed Party James D. Sheehan ("Sheehan") of all references to this matter from Central Registration Depository ("CRD") registration records. Please see the Other Issues Considered and Decided section of this Award for more information.

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

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

On November 12, 2021, Respondent filed with FINRA Dispute Resolution Services a notice of settlement and advised of the intention of Unnamed Party Sheehan to seek a recommendation of expungement from the Panel. Therefore, the Panel made no determination with respect to any of the relief requests contained in the Statement of Claim.

On December 14, 2021, Respondent filed with FINRA Dispute Resolution Services an Unopposed Motion for an Award Directing Expungement on behalf of Unnamed Party Sheehan, as well as an email, dated November 18, 2021, in which Claimants' counsel advised they will not oppose or participate in the expungement hearing.

The Panel conducted a recorded, telephonic hearing on December 29, 2021, so the parties could

present oral argument and evidence on Respondent's request for expungement on behalf of Unnamed Party Sheehan.

Claimants' counsel did not participate in the expungement hearing and did not oppose the request for expungement.

On January 3, 2022, Claimants filed with FINRA Dispute Resolution Services a notice in which they confirmed that the claims against Respondent were settled.

The Panel reviewed Unnamed Party Sheehan's BrokerCheck® Report. The Panel noted that a prior arbitration panel or court has not previously ruled on expungement of the same occurrence in the CRD.

The Panel also reviewed the settlement documentation, considered the amount of payment made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Panel noted that the settlement was not conditioned on any party to the settlement not opposing the request for expungement and that Unnamed Party Sheehan did not contribute to the settlement amount.

In recommending expungement, the Panel relied upon the following documentary or other evidence: the settlement agreement; Unnamed Party Sheehan's BrokerCheck® Report; Claimant's Statement of Claim; and Respondent's Statement of Answer.

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:

The Panel recommends the expungement of all references to the above-captioned arbitration (Occurrence Number 2077071) from registration records maintained by the CRD for Unnamed Party Sheehan (CRD Number 2911002) with the understanding that, pursuant to Notice to Members 04-16, Unnamed Party Sheehan 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 findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

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

The Panel agreed there was clear and convincing evidence that Unnamed Party Sheehan was not involved in any of the options trading at issue in the claim. All options trading was conducted on a discretionary basis by Harvest Volatility Management Inc., an independent third-party Investment Advisor and manager unaffiliated with Respondent and Unnamed Party Sheehan. The Panel also found that the claim contained several false allegations against Unnamed Party Sheehan regarding the manner in which he detailed the risks and characteristics of the Harvest Volatility Management Inc.'s option strategy.

### **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

*\*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 is assessed the following:

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

#### **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:

One (1) pre-hearing session with the Panel @ \$1,400.00/session  
Pre-Hearing Conference: September 2, 2021 1 session = \$ 1,400.00

One (1) hearing session on expungement request @ \$1,400.00/session  
Hearing: December 29, 2021 1 session = \$ 1,400.00

---

Total Hearing Session Fees = \$ 2,800.00

The Panel has assessed \$700.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$2,100.00 of the hearing session fees to Respondent.

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

**ARBITRATION PANEL**

Herbert Branitsky	-	Public Arbitrator, Presiding Chairperson
Mitchell Stephen Feig	-	Public Arbitrator
Margo Leslie Green	-	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**

***Herbert Branitsky***

\_\_\_\_\_  
Herbert Branitsky  
Public Arbitrator, Presiding Chairperson

**01/04/2022**

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

***Mitchell Stephen Feig***

\_\_\_\_\_  
Mitchell Stephen Feig  
Public Arbitrator

**01/05/2022**

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

***Margo Leslie Green***

\_\_\_\_\_  
Margo Leslie Green  
Public Arbitrator

**01/04/2022**

\_\_\_\_\_  
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.

January 05, 2022

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