

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Jerome Axelrod

Case Number: 20-01957

vs.

Respondents
SunTrust Investment Services, Inc.
SunTrust Advisory Services, 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: Customer vs. Member and Non-Member

This case was decided by an all-public panel.

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimant Jerome Axelrod: Curtis D. Carlson, Esq., Carlson & Associates, P.A., Miami, Florida.

For Respondents SunTrust Investment Services, Inc. and SunTrust Advisory Services, Inc.: Frederick S. Schriels, Esq., GrayRobinson, P.A., Tampa, Florida.

CASE INFORMATION

Statement of Claim filed on or about: June 19, 2020.

Jerome Axelrod signed the Submission Agreement: June 19, 2020.

Statement of Answer filed by Respondents on or about: August 31, 2020.

SunTrust Investment Services, Inc. signed the Submission Agreement: August 5, 2020.

SunTrust Advisory Services, Inc. signed the Submission Agreement: June 18, 2021.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: violation of the Business Conduct Rule, FINRA Rule 2010 (standards of commercial honor and principles of trade); violation of FINRA Rule 2020 (use of manipulative, deceptive and other fraudulent devices); violation of FINRA Rule 2111 (suitability); violation of FINRA Rule 3260 (discretionary

accounts); violation of FINRA Rule 3110 (supervision); breach of fiduciary duty; breach of a broker's duty of reasonable care; breach of a broker's duty to supervise and ensure compliance with firm and industry rules; negligence; and fraud and deceit. The causes of action relate to losses in Claimant's discretionary account with Respondents.

Unless specifically admitted in the 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, Claimant requested: compensatory damages of \$536,513.00; alternatively, rescission of all unsuitable or improper transactions; reimbursement of all unnecessary fees and interest that Claimant paid; pre-judgment and post-judgment interest at the legal rate during the applicable period; costs and fees of this action, including FINRA fees and expert witness fees; punitive damages of three times the compensatory award; and such other relief as the Panel deems appropriate.

In the Statement of Answer, Respondents requested: the Panel dismiss Claimant's claims with prejudice; assess against Claimant all the fees, costs, and assessments incurred by Respondents in defense of this case; and recommend the expungement of this action from Non-Party Jeffrey Paul Oliverio's (CRD Number 4160372 and Occurrence Number 2085593) otherwise spotless securities industry record.

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. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$200,000.00 in compensatory damages.
2. Respondents' request, on behalf of Non-Party Jeffrey Paul Oliverio (CRD Number 4160372), for expungement of the above-captioned arbitration (Occurrence Number 2085593) from his registration records maintained by the CRD 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 (“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 event giving rise to the dispute. Accordingly, as a party, Respondent SunTrust Investment Services, Inc. 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 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 the Panel @ \$1,400.00/session	=\$ 1,400.00
Pre-Hearing Conference: November 12, 2020 1 session	

Nine (9) hearing sessions with the Panel @ \$1,400.00/session	=\$ 12,600.00
Hearings:	
June 14, 2021	2 sessions
June 16, 2021	2 sessions
June 17, 2021	2 sessions
June 18, 2021	3 sessions

Total Hearing Session Fees	=\$ 14,000.00
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The Panel has assessed \$4,200.00 of the hearing session fees to Claimant.

The Panel has assessed \$9,800.00 of the hearing session fees jointly and severally to Respondents.

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

ARBITRATION PANEL

Richard W. Epstein	-	Public Arbitrator, Presiding Chairperson
Richard Kuper	-	Public Arbitrator
Jason Allen Rosner	-	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

Richard W. Epstein

Richard W. Epstein
Public Arbitrator, Presiding Chairperson

07/01/2021

Signature Date

Richard Kuper

Richard Kuper
Public Arbitrator

06/28/2021

Signature Date

Jason Allen Rosner

Jason Allen Rosner
Public Arbitrator

06/28/2021

Signature Date

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July 01, 2021

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