

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Lincoln Financial Securities Corporation

Case Number: 20-03558

vs.

Respondent
Jason M. Fekete

Hearing Site: Norfolk, Virginia

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 Lincoln Financial Securities Corporation: Samuel P. Mauch, Esq., Saretsky Hart Michaels + Gould PC, Birmingham, Michigan.

Respondent Jason M. Fekete appeared pro se.

CASE INFORMATION

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

Lincoln Financial Securities Corporation signed the Submission Agreement: October 19, 2020.

Jason M. Fekete did not file a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of promissory note; unpaid transition debt; and lease of copy machine.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: \$32,261.63 principal balance due and owing under the Note; \$7,166.01 accrued interest as of October 16, 2020; \$3.54/day per diem interest between October 17, 2020 and the date of payment of the Note in full; \$89,760.20 outstanding transition debt; \$6,208.38 payments made by Claimant on the Ricoh copier between June 1,

2018 and September 1, 2020; additional payments made on the Ricoh copier between September 1, 2020 and the hearing of this matter; and cost of collection and of this proceeding, including reasonable attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent Jason M. Fekete did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Panel on all issues submitted.

Respondent Jason M. Fekete did not file a Statement of Answer. The Panel determined that Respondent Jason M. Fekete was served with the Claim Notification letter dated October 20, 2020 by regular mail and the Overdue Notice (including the Statement of Claim) dated December 10, 2020 by regular and certified mail. The Panel also determined that Respondent Jason M. Fekete was served with the Notification of Panel dated January 5, 2021 by regular mail and Email.

The Claim Notification letter notified Respondent Jason M. Fekete that FINRA rules require parties to use the online DR Portal on a mandatory basis (except pro se investors) and that failure to register for the DR Portal will prevent the submission of pleadings, selection of arbitrators, and receipt of notification relating to case information and deadlines. Respondent Jason M. Fekete failed to register for the DR Portal.

The Panel determined that Respondent Jason M. Fekete is, therefore, bound by the Panel's ruling and determination.

Respondent Jason M. Fekete did not appear at the evidentiary hearing. Upon review of the file, the Panel determined that Respondent Jason M. Fekete received due notice of the hearing and that arbitration of the matter would proceed without Respondent Jason M. Fekete 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, 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 \$89,760.20 in compensatory damages for commission statement debt.
2. Respondent is liable for and shall pay to Claimant the sum of \$32,261.63 in compensatory damages for unforgiven principal balance.
3. Respondent is liable and shall pay to Claimant the sum of \$9,720.98 in compensatory damages for the copier.

4. Respondent is liable and shall pay to Claimant the sum of \$5,593.95 in accrued interest.
5. Respondent is liable for and shall pay to Claimant the sum of \$3,929.57 in costs.
6. Respondent is liable for and shall pay to Claimant the sum of \$19,657.50 in attorneys' fees pursuant to terms of the parties' agreements.
7. Respondent is liable and shall pay to Claimant \$1,000.00 to reimburse Claimant for the non-refundable portion of the filing fee.
8. Any and all claims for relief not specifically addressed herein 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	=\$ 2,125.00
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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, Claimant Lincoln Financial Securities Corporation 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 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 @ \$1,125.00/session		
Pre-Hearing Conference: February 1, 2021	1 session	=\$ 1,125.00
One (1) hearing session @ \$1,125.00/session		
Hearing: June 8, 2021	1 session	=\$ 1,125.00
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Total Hearing Session Fees		=\$ 2,250.00

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

Geoffrey A. Drucker	-	Public Arbitrator, Presiding Chairperson
Gregory Hunter Mathews	-	Public Arbitrator
C Gregory Ellison	-	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

Geoffrey A. Drucker

Geoffrey A. Drucker
Public Arbitrator, Presiding Chairperson

06/09/2021

Signature Date

Gregory Hunter Mathews

Gregory Hunter Mathews
Public Arbitrator

06/09/2021

Signature Date

C Gregory Ellison

C Gregory Ellison
Non-Public Arbitrator

06/09/2021

Signature Date

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June 10, 2021

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