

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Kovack Securities, Inc.

Case Number: 20-03986

vs.

Respondent
Gerald James O'Halloran

Hearing Site: Tampa, 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: Member vs. Associated Person

This matter proceeded pursuant to Rule 13800 of the Code of Arbitration Procedure (“Code”).

REPRESENTATION OF PARTIES

For Claimant Kovack Securities, Inc. (“Claimant” or “KSI”): Amy Towle, Esq., Kovack Securities, Inc., Fort Lauderdale, Florida.

Respondent Gerald James O'Halloran (“Respondent”) did not appear.

CASE INFORMATION

Statement of Claim filed on or about: December 7, 2020.

Claimant signed the Submission Agreement: December 7, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following cause of action: breach of contract. The cause of action related to Claimant’s allegation that Respondent is obligated to indemnify it for all losses, costs, and attorneys’ fees incurred as a result of a customer complaint that it defended and settled, pursuant to a KSI Representative Agreement.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested \$26,275.80 in compensatory damages; attorneys’ fees and expenses incurred in prosecuting this claim; FINRA forum fees, filing fees, and hearing fees; pre- and post-judgement interest; and such other and further relief as the Arbitrator may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by Claimant.

Respondent did not file a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code").

Respondent did not file a Statement of Answer. The Arbitrator determined that Respondent was served with the Claim Notification letter dated December 7, 2020 by regular mail and the Overdue Notice (including the Statement of Claim) dated January 27, 2021 by regular mail and FedEx, as evidenced by the FedEx tracking information available online. The Arbitrator also determined that Respondent was served with the Notification of Arbitrator dated February 19, 2021 by regular mail and FedEx, as evidenced by the tracking information available online.

The Claim Notification letter notified Respondent 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 failed to register for the DR Portal.

The Arbitrator determined that Respondent is, therefore, bound by the Arbitrator's ruling and determination.

AWARD

After considering the pleadings, the Arbitrator has decided and determined 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 \$24,000.00 in compensatory damages.
2. Respondent is liable for and shall pay to Claimant the sum of \$2,272.50 in attorneys' fees, pursuant to the terms of the KSI Representative Agreement.
3. Respondent is liable for and shall pay to Claimant the sum of \$3.30 in costs.
4. FINRA Dispute Resolution Services shall retain the \$1,450.00 filing fee that Claimant deposited previously.
5. Respondent is liable for and shall pay to Claimant the sum of \$1,450.00 to reimburse Claimant for the filing fee previously paid to FINRA Dispute Resolution Services.
6. Any and all relief not specifically addressed herein, including requests for punitive damages, if any, are denied.

FEES

Pursuant to the Code:

1. Claimant has paid to FINRA Dispute Resolution Services the \$750.00 Member Surcharge and \$1,750.00 Member Process Fee previously invoiced.

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

ARBITRATOR

Maurice M. Feller

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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

Maurice M. Feller

Maurice M. Feller
Sole Public Arbitrator

03/23/2021

Signature Date

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March 23, 2021

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