

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

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In the Matter of the Arbitration Between:

Claimant  
Richard R. Lozano

Case Number: 20-04209

vs.

Respondents  
Moloney Securities Co., Inc. and  
Edward James Balmes

Hearing Site: St. Louis, Missouri

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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 Associated Person

This matter proceeded pursuant to Rule 12800 of the Code of Arbitration Procedure (“Code”).

**REPRESENTATION OF PARTIES**

Claimant Richard R. Lozano (“Claimant”) appeared pro se.

For Respondents Moloney Securities Co., Inc. (“Moloney”) and Edward James Balmes (“Balmes”), hereinafter collectively referred to as “Respondents”: Matthew D. Turner, Esq., Armstrong Teasdale LLP, Jefferson City, Missouri.

**CASE INFORMATION**

Statement of Claim filed on or about: December 30, 2020.

Claimant signed the Submission Agreement: December 29, 2020.

**CASE SUMMARY**

In the Statement of Claim, Claimant asserted the following cause of action: unsuitability. The cause of action related to Claimant’s allegation that, Balmes recommended an investment sponsored by GPB Capital Holdings, LLC (“GPB”) (GPB Holdings II, LP), after Claimant expressed concern about the lack of diversification in Balmes’ repeated recommendations to purchase real estate investment trust investments. Further, Claimant alleged that the GPB investment was part of a Ponzi scheme and not a suitable investment for him, based on his profile.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested an award of \$25,000.00 in compensatory damages; \$15,877.00 in additional damages under a well-managed account theory; \$600.00 as reimbursement of the FINRA filing fee; punitive damages as the Arbitrator deems fit and proper; and, if appropriate, attorneys' fees.

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

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

### **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. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$1,750.00 in compensatory damages.
2. FINRA Dispute Resolution Services shall retain the \$600.00 filing fee that Claimant deposited previously.
3. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$300.00 to reimburse Claimant for half of the filing fee previously paid to FINRA Dispute Resolution Services.
4. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and attorneys' fees, are denied.

### **FEES**

Pursuant to the Code:

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

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

**ARBITRATOR**

Gregory G. Gocek

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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**

***Gregory G. Gocek***

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Gregory G. Gocek  
Sole Public Arbitrator

**05/10/2021**

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Signature Date

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May 10, 2021

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