

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Mark Scordato

Case Number: 21-00899

vs.

Respondent
G.F. Investment Services, LLC

Hearing Site: Jersey City, New Jersey

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: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Mark Scordato: Kimberly A. Koves, Esq., Guerra King P.A., Tampa, Florida.

For Respondent G.F. Investment Services, LLC: Larry W. Yager, GF Investments, LLC, McDonough, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: April 6, 2021.

Mark Scordato signed the Submission Agreement: April 6, 2021.

G.F. Investment Services, LLC did not file a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: expungement of Occurrence Number 1940510, and for such other relief as the Panel deems just.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge having read the pleadings and other materials filed by the parties.

Respondent did not file a Statement of Answer or 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.

On August 3, 2021, Claimant advised that the customers in Occurrence Number 1940510 (“Customers”) were served with the Statement of Claim and notice of the date and time of the expungement hearing.

The Panel conducted a recorded telephonic hearing on September 30, 2021, so the parties could present oral argument and evidence on Claimant’s request for expungement.

Respondent did not participate in the expungement hearing and did not oppose the request for expungement.

The Customers also did not participate in the expungement hearing. The Panel found that the Customers had notice of the expungement request and hearing.

The Panel reviewed Claimant’s BrokerCheck® Report. The Panel noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrence in the CRD.

The Panel also reviewed the settlement documentation related to Occurrence Number 1940510, 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 expungement request and that Claimant did not contribute to the settlement amount.

In recommending expungement, the Panel relied upon the following documentary or other evidence: Claimant’s Affidavit with Exhibits A through P; Claimant’s proof of service on the Customers; the e-mail from Larry W. Yager, representative for Respondent G.F. Investment Services, LLC, to Claimant’s counsel, dated July 28, 2021; Claimant’s BrokerCheck® Report dated September 10, 2021; and exhibits A through D attached to the Statement of Claim.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement hearing, and any post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel recommends the expungement of all references to Occurrence Number 1940510 from registration records maintained by the CRD for Claimant Mark Scordato (CRD Number 4518684) with the understanding that, pursuant to Notice to Members 04-16, Claimant Mark Scordato 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 13805 of the Code of Arbitration Procedure (“Code”), the Panel has made the following Rule 2080 affirmative finding of fact:

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 finding based on the following reasons:

The preponderance of the evidence shows that Claimant was not involved in the alleged investment-related sales practice violation that was the subject of the underlying arbitration. The Customers alleged unsuitable recommendations and misrepresentations regarding three annuities and three real estate investment trusts (REITs) purchased in August 2015. They also alleged misrepresentation of their overall net worth on their new account applications.

Claimant testified that he did not attend any meetings or have any discussions with the Customers about the annuities or the REITs before, or at the time, they decided to make the purchases. Claimant was not involved in the application process with the Customers. Claimant also testified that he did not receive any commissions on any of the products at issue. Documentary evidence shows that another individual, not Claimant, was the financial advisor of record for the Customers during the relevant time. Claimant testified that he did not recommend or sell any of the annuities or REITS at issue to the Customers. Claimant’s testimony was supported by the new account applications and suitability forms admitted into evidence.

Claimant also had no supervisory responsibility over the financial advisor involved or the products at issue. In this regard, Claimant testified that he did not hold a Series 24 license and, therefore, could not be the supervisor of the financial advisor involved. Claimant’s testimony was supported by his BrokerCheck® Report which shows that he does not hold a Series 24 license. The underlying arbitration was eventually settled. Claimant did not participate in the settlement negotiations or contribute to the settlement.

The full panel finds that Claimant was not involved in the alleged investment related sales practice violation within the meaning of FINRA Rule 2080(b)(1)(B). For these reasons, the panel unanimously recommends expungement of the underlying arbitration from Claimant’s CRD record.

2. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Expungement Filing Fee = \$ 1,575.00

**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 firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent G.F. Investment Services, LLC is assessed the following:

Member Surcharge = \$ 1,900.00

Member Process Fee = \$ 3,750.00

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 = \$ 1,125.00
Pre-Hearing Conference: July 27, 2021 1 session

One (1) hearing session on expungement request @ \$1,125.00/session = \$ 1,125.00
Hearing: September 30, 2021 1 session

Total Hearing Session Fees = \$ 2,250.00

The Panel has assessed the total hearing session fees to Claimant.

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

ARBITRATION PANEL

Annamaria Boccia Smith	-	Public Arbitrator, Presiding Chairperson
Louis H Miron	-	Public Arbitrator
Linda T. Pellegrino	-	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

Annamaria Boccia Smith

Annamaria Boccia Smith
Public Arbitrator, Presiding Chairperson

10/08/2021

Signature Date

Louis H Miron

Louis H Miron
Public Arbitrator

10/08/2021

Signature Date

Linda T. Pellegrino

Linda T. Pellegrino
Non-Public Arbitrator

10/10/2021

Signature Date

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October 12, 2021

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