

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Kovack Securities, Inc.

Case Number: 21-01890

vs.

Respondent
Andrew Raymond Scheirer, II

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: 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.: Amy Towle, Esq., Kovack Securities, Inc., Fort Lauderdale, Florida.

For Respondent Andrew Raymond Scheirer, II: Benjamin Winograd, Esq., Of Counsel, HLBS Law, Westminster, Colorado.

CASE INFORMATION

Statement of Claim filed on or about: July 23, 2021.

Kovack Securities, Inc. signed the Submission Agreement: July 23, 2021.

Statement of Answer filed by Respondent on or about: December 20, 2021.

Andrew Raymond Scheirer, II signed the Submission Agreement: October 13, 2021.

Reply in Support of Statement of Claim filed by Claimant on or about: December 31, 2021.

CASE SUMMARY

In the Statement of Claim and reaffirmed in the Reply in Support of Statement of Claim, Claimant asserted a cause of action for breach of contract. The cause of action relates to an agreement for indemnification.

Unless specifically admitted in the Statement of Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: indemnification of \$37,651.00; FINRA forum fees, filing fees, and hearing fees incurred in prosecuting this claim; pre-judgment and post-judgment interest; and such other and further relief as the Arbitrator may deem just and proper.

In the Statement of Answer, Respondent requested that the Arbitrator find that Claimant's claims be dismissed with prejudice.

In the Reply in Support of Statement of Claim, Claimant requested the Arbitrator enter an award making Claimant whole.

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. Respondent is liable for and shall pay to Claimant the sum of \$37,651.00 in compensatory damages.
2. Respondent is liable for and shall pay to Claimant interest on the above-stated sum at the rate of 4.25% per annum from July 23, 2021 through and including the date the total balance has been paid.
3. FINRA Dispute Resolution Services shall retain the \$1,450.00 filing fee that Claimant deposited previously.
4. Respondent is liable for and shall pay to Claimant \$1,450.00 to reimburse Claimant for the filing fee previously paid to FINRA Dispute Resolution Services.
5. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages and treble damages, 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

Kimberlee Ann Fowler

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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

Kimberlee Ann Fowler

Kimberlee Ann Fowler
Sole Public Arbitrator

01/16/2022

Signature Date

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January 18, 2022

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