

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Aron Greenstein

Case Number: 21-02032

vs.

Respondent
Steven Novick

Hearing Site: New York, New York

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. Associated Person

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

REPRESENTATION OF PARTIES

For Claimant Aron Greenstein: Christine Lazaro, Esq., St. John's University School of Law Securities Arbitration Clinic, Queens, New York.

Respondent Steven Novick appeared pro se.

CASE INFORMATION

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

Answer to Counterclaim filed on or about: November 11, 2021.

Aron Greenstein signed the Submission Agreement: August 6, 2021.

Statement of Answer and Counterclaim filed by Respondent on or about: October 22, 2021.

Steven Novick signed the Submission Agreement: November 18, 2021.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of fiduciary duty; misrepresentations and omissions; violations of industry rules; and violations of Connecticut state law. The causes of action relate to unspecified securities due to the switch of Claimant’s account from a standard brokerage account to an investment advisory account.

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

In the Counterclaim, Respondent asserted the following cause of action: unpaid management fee.

Unless specifically admitted in the Statement of Answer to the Counterclaim, Claimant denied the allegations made in the Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in one of the two following alternative amounts: (a) \$1,931.02, which represents the overcharge in fees due to the switch from a standard brokerage account to an investment advisory account or (b) \$4,999.00, which represents most of the \$5,100.00 for managerial fees from the second quarter of 2014 to fourth quarter of 2019, which were retroactively deducted, and the \$275.58 for managerial fee for the first quarter of 2020, which was deducted a day before Respondent removed himself from Claimant's account; attorneys' fees, all costs, expenses and forum fees incurred in pursuing this claim; interest in the amount of 10% per annum pursuant to Connecticut General Statute § 37-3a (2019); and such other and further relief as deemed proper.

In the Statement of Answer and Counterclaim, Respondent requested that Claimant's claim be denied; compensatory damages in the amount of \$5,110.72 plus interest; attorneys' fees; written retraction of all of the grievances filed against Respondent and other non-parties; and such additional and further relief as deemed appropriate. On November 18, 2021, Respondent clarified the nature of relief sought and requested that Claimant pay in full to have Respondent's Form U4 expunged pursuant to FINRA Rule 2080, this claim falls under the permissible grounds for expungement as follows: (C) the claim, allegation or information is false.

In the Statement of Answer to the Counterclaim, Claimant requested that the relief requested by Respondent be denied and that all Counterclaims be dismissed with prejudice.

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 \$5000.00 in compensatory damages plus interest at the rate of 10% per annum from December 16, 2020, until date of this award.
2. Respondent's Counterclaim is denied.
3. Respondent's request for expungement of his CRD records is denied.
4. FINRA Dispute Resolution Services shall retain the \$175.00 filing fee that Claimant deposited previously.

5. FINRA Dispute Resolution Services shall retain the \$325.00 filing fee that Respondent deposited previously.
6. Respondent is liable for and shall pay to Claimant \$175.00 to reimburse Claimant for the filing fee previously paid to FINRA Dispute Resolution Services.
7. Any and all relief not specifically addressed herein, including requests for retraction and attorneys' fees are denied.

FEES

Pursuant to the Code:

LPL Financial LLC has paid to FINRA Dispute Resolution Services the \$150.00 Member Surcharge previously invoiced.

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

ARBITRATOR

Phillip Weitzman

-

Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.

Arbitrator's Signature

Phillip Weitzman

Phillip Weitzman
Sole Public Arbitrator

02/07/2022

Signature Date

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.

February 07, 2022

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