

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Victor H. Stora and Lucille Stora, Victor N. Stora, Katherine Ruotolo and Gina Ruotolo, George Tropiano, Joseph Quattrocchi, and Dependable Auto Body, Inc. (Claimants) v. Strasbourger Pearson Tulcin Wolff, Inc., Andrew Gonchar, Polyvios T. Polyviou, Ronald Moschetta, Michael J. Schumacher, and Allan M. Levine (Respondents).

Case Number: 09-01769

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimants Victor H. Stora and Lucille Stora, Victor N. Stora, Katherine Ruotolo and Gina Ruotolo, George Tropiano, Joseph Quattrocchi, and Dependable Auto Body, Inc., hereinafter collectively referred to as "Claimants": Ross B. Intelisano, Esq., Rich & Intelisano, LLP, New York, NY.

Respondent Strasbourger Pearson Tulcin Wolff, Inc. ("SPTW"): Ronald Moschetta, Strasbourger Pearson Tulcin Wolff, Inc., Garden City, NY.

Respondents Andrew Gonchar ("Gonchar") and Polyvios T. Polyviou ("Polyviou"): Peter M. Spett, Esq., Roslyn, NY.

Respondent Ronald Moschetta, hereinafter referred to as "Moschetta" appeared *pro se*.

Respondent Michael J. Schumacher, hereinafter referred to as "Schumacher" did not enter an appearance in this matter.

Respondent Allan M. Levine, hereinafter referred to as "Levine" did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed by Claimants on or about: April 1, 2009.

Victor H. Stora signed the Submission Agreement: March 25, 2009.

Lucille Stora signed the Submission Agreement: March 25, 2009.

Victor N. Stora signed the Submission Agreement: March 22, 2009.

Katherine Ruotolo signed the Submission Agreement: March 28, 2009.

Gina Ruotolo signed the Submission Agreement: March 28, 2009.

George Tropiano signed the Submission Agreement: March 21, 2009.

Joseph Quattrocchi signed the Submission Agreement: March 19, 2009.

Dependable Auto Body, Inc. signed the Submission Agreement: March 19, 2009.

Statement of Answer filed by SPTW on or about: May 26, 2009.
SPTW signed the Submission Agreement: May 26, 2009.

Statement of Answer filed by Polyviou on or about: April 22, 2009.
Polyviou signed the Submission Agreement: May 16, 2009

Joint Statement of Answer filed by Gonchar and Polyviou on or about: November 10, 2009.

Gonchar signed the Submission Agreement: January 15, 2010.
Polyviou signed the Submission Agreement: January 15, 2010.

Statement of Answer filed by Moschetta on or about: June 8, 2009.
Moschetta did not submit a Submission Agreement.

Schumacher did not file a Statement of Answer or submit a Submission Agreement.

Levine did not file a Statement of Answer or submit a Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, breach of fiduciary duty, unsuitability, unauthorized trading, negligence and gross negligence, aggressive and excessive trading, margin lending, fraud, failure to supervise, respondeat superior, and violation of FINRA Rules. The causes of action relate to guaranteed senior notes of RJ Tower Corporation.

Unless specifically admitted in its Answer, SPTW denied the allegations made in the Statement of Claim.

Unless specifically admitted in its Answer, Polyviou denied the allegations made in the Statement of Claim.

Unless specifically admitted in their joint Statement of Answer, Gonchar and Polyviou denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Moschetta denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested compensatory damages, including but not limited to (1) all out-of-pocket and trading losses caused by Respondents from the inception of Claimants' accounts; (2) all commissions, fees, and interest charged by Respondents to Claimants' accounts; (3) loss profits; and (4) all other incidental and consequential damages; unspecified exemplary damages, costs and expenses, attorney's fees, and such other and further relief as to the Panel may appear just and proper.

In its Statement of Answer, SPTW requested that Claimants should not be entitled to any monetary recovery.

In his Statement of Answer, Polyviou requested that he be removed from this arbitration.

In their joint Statement of Answer, Gonchar and Polyviou requested that the Statement of Claim be dismissed in its entirety with prejudice.

In his Statement of Answer, Moschetta requested that he be removed from this arbitration and that his CRD records be expunged.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

Respondent Moschetta did not file with FINRA Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing is bound by the determination of the Panel on all issues submitted.

Respondents Schumacher and Levine did not file with FINRA Dispute Resolution properly executed Submission Agreements but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

Respondents Schumacher and Levine did not appear at the hearing. The Panel determined that these Respondents were properly served with the Statement of Claim and received due notice of the hearing, and that the arbitration of this matter would proceed without these Respondents present, in accordance with the Code of Arbitration Procedure.

The Panel reviewed all submissions in connection with Respondent Moschetta's request to be removed from this arbitration and by Order dated October 14, 2009, the Panel denied Moschetta's request.

At the hearing, Claimants settled their claims with Respondents Gonchar and Polyviou. The Panel reviewed the settlement agreement and considered the amount paid to Claimants.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed award may be entered.

AWARD

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

1. Respondents Schumacher and Levine are jointly and severally liable for and shall pay to Victor and Lucille Stora compensatory damages in the amount of \$57,106.00 plus interest at a rate of 9% per annum from November 4, 2010 until payment of the award.
2. Respondents Schumacher and Levine are jointly and severally liable for and shall pay to Victor N. Stora compensatory damages in the amount of \$54,188.00 plus interest at a rate of 9% per annum from November 4, 2010 until payment of the award.
3. Respondents Schumacher and Levine are jointly and severally liable for and shall pay to Katherine and Gina Ruotolo compensatory damages in the amount of \$21,017.0 plus interest at a rate of 9% per annum from November 4, 2010 until payment of the award.
4. Respondents Schumacher and Levine are jointly and severally liable for and shall pay to George Tropiano compensatory damages in the amount of \$44,390.00 plus interest at a rate of 9% per annum from November 4, 2010 until payment of the award.
5. Respondents Schumacher and Levine are jointly and severally liable for and shall pay to Joseph Quatrocchi compensatory damages in the amount of \$150,970.00 plus interest at a rate of 9% per annum from November 4, 2010 until payment of the award.
6. Respondents Schumacher and Levine are jointly and severally liable for and shall pay to Dependable Auto Body, Inc. compensatory damages in the amount of \$46,297.00 plus interest at a rate of 9% per annum from November 4, 2010 until payment of the award.
7. Respondents Schumacher and Levine are jointly and severally liable for and shall pay to Claimants punitive damages in the amount of \$100,000.00. The Panel awarded punitive damages pursuant to Mastrobuono v. Shearson Lehman Hutton Inc., 514 US 52.
8. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Ronald Moschetta's (CRD # 1100365) registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to Notice to Members 04-16, Respondent Ronald Moschetta 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 the Rule 12805 of the Code, the arbitration panel has made the following Rule 2080 affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

The arbitration panel has made the above Rule 2080 finding based on the following reasons:

Ronald Moschetta's record is to be expunged as he took over Strasbourger Pearson after the Claimants' losses were realized; he could not have possibly been responsible at the time. This was clearly proved to the panel's satisfaction at the hearing.

9. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$ 1,250.00

**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 firm that employed the associated person at the time of the event giving rise to the dispute. Accordingly, as a party, Strausbourger Pearson Tulcin Wolff, Inc. is assessed the following:

Member surcharge = \$ 1,500.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 2,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 19 - 23 and April 26, 2010 adjournment by Respondents
Gonchar and Polyviou = Waived

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

Two (2) Decisions on discovery-related motions on the papers
with (1) one arbitrator @ \$200.00 = \$ 400.00
Claimants submitted one (1) discovery-related motion
Respondents Gonchar and Polyviou submitted one (1) discovery-related motion

Total Discovery-Related Motion Fees = \$ 400.00

1. The Panel has assessed \$200.00 of the discovery-related motion fees to Claimants.

2. The Panel has assessed \$200.00 of the discovery-related motion fees jointly and severally to Respondents Gonchar and Polyviou.

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 that last four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,000.00/session		= \$ 1,000.00
Pre-hearing conference: September 8, 2009		
Five (5) Hearing sessions @ \$1,000.00/session		= \$ 5,000.00
Hearing Dates:	November 1, 2010	2 sessions
	November 2, 2010	2 sessions
	November 3, 2010	1 session
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Total Hearing Session Fees		= \$ 6,000.00

The Panel has assessed \$6,000.00 of the hearing session fees jointly and severally to Respondents Schumacher and Levine.

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

ARBITRATION PANEL

Richard Cutler	-	Public Arbitrator, Presiding Chairperson
Jerome Shafer	-	Public Arbitrator
Edith Gunn	-	Non-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.

Concurring Arbitrators' Signatures



Richard Cutler
Public Arbitrator, Presiding Chairperson

1/10/11
Signature Date

Jerome Shafer
Public Arbitrator

Signature Date

Edith Gunn
Non-Public Arbitrator

Signature Date

January 14, 2011

Date of Service (For FINRA Dispute Resolution use only)

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Signature Date

Jerome Shafer
Public Arbitrator

Signature Date



Edith Gunn
Non-Public Arbitrator

1-12-11

Signature Date

January 14, 2011

Date of Service (For FINRA Dispute Resolution use only)