

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
LPL Financial LLC

Case Number: 23-03107

vs.

Respondent
Leonardo Hernandez, III

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: Member vs. Associated Person

REPRESENTATION OF PARTIES

For Claimant LPL Financial LLC: Gary M. Sarestky, Esq., and Samuel P. Mauch, Esq., Sarestky Hart Michaels + Gould PC, Birmingham, Michigan.

Respondent Leonardo Hernandez, III did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: October 23, 2023.

LPL Financial LLC signed the Submission Agreement: October 20, 2023.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of promissory note; and breach of term commitment note.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested: principal balance due and owing under Note 1 in the amount of \$52,649.12; accrued interest on Note 1 as of October 23, 2023 in the amount of \$4,003.97; per diem interest between October 24, 2023, and the date of payment of Note 1 in full, at the rate of \$17.37 per day; principal balance due and owing under Note 2 in the amount of \$4,944.15; accrued interest on Note 2 as of October 23, 2023 in the amount of \$409.75; per diem interest between October 24, 2023, and the date of payment of Note 2 in full, at the rate of \$1.73 per day; costs of collection, including attorneys' fees; and for any other relief deemed just

and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent Leonardo Hernandez, III did not file a Statement of Answer. Accordingly, this matter proceeded pursuant to Rule 13806 of the Code of Arbitration Procedure (“Code”).

The Arbitrator determined that Respondent Leonardo Hernandez, III was served with the Claim Notification letter dated October 24, 2023 by regular mail, and the Overdue Notice (including the Statement of Claim) dated December 14, 2023 by FedEx. The Arbitrator also determined that Respondent Leonardo Hernandez, III was served with the Notification of Arbitrator dated January 10, 2023 by regular mail.

The Claim Notification letter notified Respondent Leonardo Hernandez, III that FINRA rules require parties to use the online DR Portal on a mandatory basis (except pro se investors) and that failure to register for the DR Portal will prevent the submission of pleadings, selection of arbitrators, and receipt of notification relating to case information and deadlines. Respondent failed to register for the DR Portal.

The Arbitrator determined that Respondent Leonardo Hernandez, III is, therefore, bound by the Arbitrator’s ruling and determination.

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, on Note 1, the sum of \$52,649.12.
2. Respondent is liable for and shall pay to Claimant, on Note 1, accrued interest as of October 23, 2023, in the amount of \$4003.97.
3. Respondent is liable for and shall pay Claimant interest on Note 1 at the rate of the \$17.37 per day from October 24, 2023, through and including the date of full payment of the award.
4. Respondent is liable for and shall pay to Claimant, on Note 2, the sum of \$4,944.15.
5. Respondent is liable for and shall pay to Claimant, on Note 2, accrued interest as of October 23, 2023, in the amount of \$409.75,
6. Respondent is liable for and shall pay to Claimant interest on Note 2 at the rate of the \$1.73 per day from October 24, 2023, through and including the date of full payment of the award.
7. Respondent is liable for and shall pay to Claimant the sum of \$4,617.50 in attorneys' fees pursuant to the terms of the Notes.

8. Respondent is liable for and shall pay to Claimant \$1,000.00 to reimburse Claimant for the non-refundable portion of the filing fee previously paid to FINRA Dispute Resolution Services.
9. Respondent is liable for and shall pay to Claimant \$300.00 to reimburse Claimant for the Paper Decision Fee previously paid to FINRA Dispute Resolution Services.
10. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, Claimant has paid to FINRA Dispute Resolution Services the \$1,100.00 Member Surcharge and \$2,250.00 Member Process Fee previously invoiced.

Claimant has also paid to FINRA Dispute Resolution Services the \$1,000.00 non-refundable portion of the filing fee and the \$300.00 Paper Decision Fee.

ARBITRATOR

Elizabeth Gilbert

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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

Elizabeth Gilbert

Elizabeth Gilbert
Sole Public Arbitrator

01/19/2024

Signature Date

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January 23, 2024

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