



SUNTRUST ROBINSON HUMPHREY ORDERED TO PAY \$4.16 MILLION TO BROKER IT WRONGFULLY TERMINATED AND MALICIOUSLY DEFAMED

FINRA ABRITRATION AWARD INCLUDES \$2.5 MILLION OF PUNITIVE DAMAGES, \$1.192 MILLION OF COMPENSATORY DAMAGES, COSTS AND ATTORNEYS' FEES FOR WRONGFUL TERMINATION AND MALICIOUS DEFAMATION

An arbitration panel of the Financial Industry Regulatory Authority ("FINRA") has just issued an award against SunTrust Robinson Humphrey, Inc. ("STRH") in the approximate amount of \$4.16 million, which included \$2.5 million of punitive damages, \$1.192 million of compensatory damages, over \$50,000 in costs and \$419,000 in attorneys' fees. The award was in favor of Lance B. Beck, a former institutional salesman in Atlanta, who STRH had claimed had violated the firm's sales practice policy when selling an auction rate security that was underwritten by STRH. As a part of their order, the panel recommended the expungement of all references to any customer complaint regarding this transaction from Mr. Beck's record with the Central Registration Depository ("CRD"), and the reference to Mr. Beck's termination in his record in the CRD be changed to "Other - Terminated Without Cause." The arbitrators found that Mr. Beck had not, in fact, violated any sales practice policy.

"Mr. Beck was a \$3 million producer and a 19 year employee of the entity formerly known and respected as Trust Company of Georgia. He was well known in the community and was crushed financially and emotionally when STRH fired him," said Curtis Carlson, the lead trial attorney representing Mr. Beck. "This award, although substantial monetarily, is made even more significant because the arbitrators specifically found that STRH had no cause to fire Lance Beck and intentionally defamed him." This means there will also be a forward looking remedy for the harm the defamatory statement in the CRD record has had on Beck's career, according to Mr. Carlson.

The punitive damages were based on the panel's finding that SunTrust Robinson Humphrey had specific intent to harm Beck. The arbitrators found that Mr. Beck's supervisors and the director of compliance at STRH "acting in concert," had placed defamatory language on Mr. Beck's Form U-5, Uniform Termination Notice for Securities Industry Registration, "in such a manner as to make it unlikely he would work as a broker in the future and take clients with him to a new broker-dealer." "Based on these facts, the Panel determined that the allegations against [Mr. Beck] were clearly false, and the information placed on his U5 is defamatory and should be expunged."

"To cleanse the stain SunTrust intentionally placed on Lance's record and to have the CRD entry adjudicated false and malicious was quite satisfying," said Mr. Dalziel.

Mr. Beck was represented by Curtis Carlson of the Miami law firm of Carlson & Lewittes, P.A., and by Joseph B. Alonso and Charles M. Dalziel, Jr. of Brock Clay Calhoun & Rogers, LLC, of Marietta, GA.

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