Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimants
Peter E. Deutsch
William J. Deutsch

Case Number: 12-02759

vs.

Respondents
Fidelity Brokerage Services LLC
National Financial Services LLC

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Members

This case was decided by a majority-public panel.

REPRESENTATION OF PARTIES

For Claimants Peter E. Deutsch and William J. Deutsch: David Graff, Esq. and Rachael Kierych, Esq., Anderson Kill P.C., New York, New York and Howard Graff, Esq., Arent Fox LLP, New York, New York.

For Respondents Fidelity Brokerage Services LLC ("Fidelity") and National Financial Services LLC ("National Financial"), hereinafter collectively referred to as "Respondents": Brian Amery, Esq., Mark D. Knoll, Esq., and Susan George, Esq., Bressler, Amery & Ross, P.C., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: July 30, 2012.
Amended Statement of Claim filed on or about: November 1, 2012.
Second Amended Statement of Claim filed on or about: December 10, 2012.
Third Amended Statement of Claim filed on or about: September 12, 2013
Peter E. Deutsch signed the Submission Agreement: July 30, 2012.
William J. Deutsch signed the Submission Agreement: July 30, 2012.

Joint Statement of Answer filed by Respondents on or about: October 8, 2012.
Joint Statement of Answer to the Amended Statement of Claim filed on or about: December 5, 2012.
Joint Statement of Answer to the Second Amended Statement of Claim filed on or about: January 3, 2013.
Joint Statement of Answer to the Third Amended Statement of Claim filed on or about: October 3, 2013.
Fidelity Brokerage Services LLC signed the Submission Agreement: October 8, 2012.
National Financial Services LLC signed the Submission Agreement: October 8, 2012.

CASE SUMMARY

Claimants asserted the following causes of action: violation of FINRA rules 2111, 5310, and 2010; violation of the duty of fair dealing; fraud; aiding and abetting fraud; breach of contract; gross negligence and/or negligence; third-party beneficiary; and intentional interference with contract. The causes of action relate to China Medical Technologies, Inc. and ZST Digital Networks, Inc. stock. Claimants added the following cause of action in the Amended Statement of Claim: promissory estoppel. Claimants added the following causes of action in the Second Amended Statement of Claim and Third Amended Statement of Claim: negligent misrepresentation; negligent supervision; tortious interference with prospective business relationship; and conversion.

Unless specifically admitted in the Statement of Answer, Answer to the Amended Statement of Claim, Answer to the Second Amended Statement of Claim, and Answer to the Third Amended Statement of Claim, Respondents denied Claimants' allegations and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Amended Statement of Claim, and Second Amended Statement of Claim, Claimants requested compensatory damages in the amount of $125,000,000.00; punitive damages; interest on all amounts awarded, computed at market rates or otherwise in the manner prescribed by law; all costs and attorneys' fees; and such other and further relief as is deemed necessary in order to make Claimants whole. In the Statement of Claim, Claimants also requested unspecified compensatory damages on the 2nd, 6th, and 7th causes of action in an amount to be proved at hearing.

In the Third Amended Statement of Claim, Claimants requested compensatory damages equal to pay for the fair market value of 66% of China Medical Technologies, Inc. realizable through a sale to a private equitable buyer; punitive damages; interest on all amounts awarded, computed at market rates or otherwise in the manner prescribed by law; all costs and attorneys' fees; and such other and further relief as is deemed necessary in order to make Claimants whole.

In the Statement of Answer, Answer to Amended Statement of Claim, Answer to the Second Amended Statement of Claim, and Answer to the Third Amended Statement of Claim, Respondents requested dismissal of the Claimants' Statement of Claim and Amended Statement of Claim in their entirety; deny any recovery, assess all forum fees and costs solely against the Claimants, expungement of unnamed parties Ed Orazem and Mark Driscoll's CRD records, and reasonable attorneys' fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

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

After Claimants' case-in-chief, Respondents made an oral Motion to Dismiss and Claimants objected. After due deliberation, the Panel denied Respondents' Motion.

The Panel reviewed the BrokerCheck® Report for Mark Driscoll. Claimants took no position on the expungement request.

The Panel noted that Mark Driscoll did not previously file a claim requesting expungement of the same disclosure in the CRD.

In recommending expungement the Panel relied upon the following documentary or other evidence: pleadings, testimony at the hearing, party submissions, and the BrokerCheck Report for Mark Driscoll.

The Arbitrators have provided an explanation of their decision in this award. The explanation is for the information of the parties only and is not precedential in nature.

The parties present at the hearing 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. Claimants' claims are denied in their entirety.

2. The Panel recommends the expungement of all reference to the above captioned arbitration from unnamed party Mark Driscoll's (CRD # 2843235) registration records maintained by the Central Registration Depository ("CRD"), with the understanding that, pursuant to Notice to Members 04-16, unnamed party Mark Driscoll 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 Rule 12805 of the Code, the Panel has made the following Rule 2080 affirmative findings of fact:

   The claim, allegation, or information is factually impossible or clearly erroneous; and the claim, allegation, or information is false.

The Panel has made the above Rule 2080 findings based on the following reasons: the gravamen of the reportable event is an arbitration commenced by Peter Deutsche et al against Fidelity Brokerage Services requesting damages for alleged violation of margin lending rules and breach of contract. Specific allegations in the pleadings was that Driscoll made recommendations that Claimants purchase the stock of a U.S. listed Chinese company, CMED. The Panel finds that these allegations are false. Claimant Deutsch testified that he had never spoken with Driscoll and Driscoll testified that he had never recommended that stock for purchase. It is also clear to the Panel that he had no essential involvement in handling Claimants' accounts.

3. Unnamed party Edward Orazem's request for expungement is denied.

4. Any and all claims for relief not specifically addressed herein, including punitive damages and attorneys' fees, are denied.

ARBITRATORS' FINDING

Although the parties did not agree to a reasoned award in this matter pursuant to FINRA rules, the Panel, having held over 100 sessions in which it heard the equivalent of some 10,000 pages of testimony and received into evidence and reviewed thousands of pages of documents and exhibits, feels it is appropriate to explain its conclusions.

This Arbitration was filed by Claimants William and Peter Deutsch[1] (Deutsch) against Fidelity Brokerage Services LLC *et al*. ("Fidelity") in the summer of 2012 (FINRA 12-0759). After an initial Statement of Claim and three subsequent Amendments, the issues finally submitted by Deutsch to the Panel for decision were two-fold: (1) Fidelity's allegedly unlawful lending out of CMED (a delisted Chinese medical technology company) common stock held in the Deutsch margin account(s) and (2) Fidelity's alleged breach of contract and fiduciary duty by refusing to accept purchase orders for CMED placed by Deutsch on or after July 16, 2012. As a result of this conduct, Deutsch asserted he had been deprived of the ability to take control of CMED and eventually sell his interest to a private equity firm or strategic buyer for a net amount ranging from $436 million at the high end to $249 million at the low end. [2]

The investment strategy at issue in the arbitration was the brainchild of Deutsch's investment advisor, David O'Leary of New Hampshire - based AER Advisors.[3] Variously called the 'China Gold' or 'Fallen Angel' strategy, it contemplated investment in U.S. listed Chinese - based companies whose share prices were under pressure and arguably did not reflect the underlying value of the businesses involved. In a nutshell, the rationale behind the theory was that either a management led buy-out, private equity firm or other strategic buyer would eventually purchase the company's equity at a significant premium to where the stock had been trading. O'Leary identified two 'China Gold' companies for Deutsch to pursue: China Medical, or CMED, and a technology company, ZSTN.

[1] William Deutsch did not offer any substantive testimony and was essentially a nominal claimant.
[2] The discrepancy was due to their treatment of cash supposedly on the company's books.
[3] O'Leary testified on Claimant's main case but counsel elected not to have him re-appear for the rebuttal phase despite the Panel's invitation.

Commencing in the fall of 2011, Deutsch began a methodical practice of purchasing stock of CMED through his accounts at Fidelity and eventually acquired nearly 12 million shares up until the Cayman Islands liquidation filing on June 15, 2012. This was despite a constant drumbeat of news surrounding the company that would be considered uniformly negative from a standard investment perspective. The litany included missed earnings reports, an auditor resignation, officer or director resignations, negative 'short' commentary and articles, missed bond/debt payments, class action litigation, delisting, a trading halt and a corporate restructuring which left CMED with only a 40% ownership interest in its Chinese operating subsidiaries. Nonetheless, these events were viewed as positives by Deutsch and O'Leary, who believed they were signs CMED was deliberately going dark prior to announcing a deal that would take the company private at a premium to the current market price.

Ultimately, on June 15, 2012, unpaid bondholders filed a petition in the Cayman Islands to liquidate CMED, at which point, according to Deutsch's testimony, everything changed. Prior to that date, his strategy had been essentially passive – purchase CMED stock and abide developments. After that date, he testified that his strategy was *specifically* to acquire a controlling interest, or two-thirds of CMED stock (by Claimants' count, an additional 6-7 million shares, or essentially all the outstanding float save 12%) and sell the company himself.[4] This intention, however, was not corroborated by any independent documentary evidence, and conduct subsequent to the date of the bankruptcy filing suggests that it was not the primary focus of Deutsch's efforts.[5] For example, an email exchange between O'Leary and Deutsch on July 16 indicates that their 'battle with the shorts' and the desire to raise CMED's stock price were paramount. Two days later, they determined to transfer the CMED position from margin to cash – a move which would trigger stock recalls and buy-ins to close out CMED positions lent out by Fidelity.[6] Again, this move made sense primarily in the context of the 'battle' strategy, since the hypothecated stock did not need to be back in the cash account, according to Deutsch, until the date of the liquidation hearing in the Caymans some six weeks later.[7] Additionally, they did not undertake any reasonable efforts to put themselves in position to influence the Cayman Islands court to stay or otherwise dispose of the bondholders' petition without liquidation of CMED. Instead, Deutsch continued a desultory campaign to acquire CMED stock (some 800,000 shares in the two week period prior to yet another SEC trading halt), did not hire any investment professionals to assist their efforts, did not discuss this new strategy with anyone at Fidelity, and had no contact with the bondholders prior to the liquidation hearing on July 27, 2012. Finally, on July 16, 2012, Fidelity refused to entertain any more purchase orders for CMED, believing Deutsch and O'Leary were effectuating a short squeeze in the stock.

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[4] In a sense, this is the only argument he can make for any recovery against Fidelity since the firm made no recommendations to him regarding CMED.

[5] Consistent with their theory, they may have believed that Chairman Wu orchestrated the liquidation filing in order to pressure bondholders, and that he would appear at the 11th hour in the Caymans proceeding and announce a deal.

[6] The July 16th email is also important for two additional reasons. First, Deutsch and O'Leary assumed that Fidelity had been lending out CMED, and second, that Fidelity's March 5 offer of compensation for lending these 'hard to borrow shares' was limited to the 'additional stock' in the margin account which could not be lent without permission.

[7] If they were serious about the take-over strategy, it would have made more sense to first acquire the stock needed and *then* make the transfer from margin to cash.

Respondents argue, and the Panel agrees, that to be legally cognizable, compensatory damages must not be remote, hypothetical, speculative or conjectural. Claimants do not address this essential legal issue in detail in their pre-closing brief. Instead, they argue that, under Massachusetts law, they can submit a 'reasonable approximation' of damages based on the wrongdoer's default. Even assuming the two-thirds strategy was not a post-hoc rationalization,[8] nothing that Fidelity did or did not do could redeem the failure of O'Leary's China Gold strategy with respect to CMED.

First, claimants posit a CMED valuation date of June 30, 2012 for damages[9] purposes and argue that no events after that date should be considered. The Panel rejects this invitation. As of that date, of course, CMED was the subject of a liquidation proceeding, and *none* of the conditions precedent either as to Fidelity's potential liability *or* a successful acquisition strategy by Deutsch and O'Leary were in place – specifically, they had *not* yet been cut-off by Fidelity, had *not* obtained two-thirds of the equity, had *not* attempted to negotiated a deal with the bondholders, had *not* convinced the Cayman Islands court to stave off liquidation, had *not* reversed the loss of control over the Chinese subsidiaries, had *not* had contact with a potential purchaser, and had *not* reached an agreement on the terms of a sale.

Second, claimants assume that *all* of the foregoing would have taken place in due course *after* June 30, 2012. This assumption is also unwarranted.

The Two-thirds Proposition At the time Fidelity stopped further purchases of CMED, Deutsch and O'Leary still theoretically needed to purchase approximately 6 + million shares over an eight or nine business day period prior to July 27, 2012.[10] Their expert opined that they could have done so for approximately 23 million dollars. The Panel is skeptical. Deutsch testified throughout that he was very price sensitive and did not want to overpay for the stock. But his purchases in the two weeks from the date of the liquidation filing to yet another SEC trading halt, together with Fidelity's buy-ins, caused the stock price to spike to over $12 a share from about $3 a share, all on lower volume than he would need to sustain going forward.[11] As a result, it is highly likely the price for the remaining shares needed would have been far in excess of the $3-4 dollar average, or a total of $23 million, stated by Claimants' expert.[12]

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[8] In the days following the cut-off, Deutsch's complaint was that it caused the stock price to drop, not that he had been deprived of an opportunity of achieving equity control. Deutsch continued to purchase sizeable blocks of CMED even *after* the company had been liquidated. In October, O'Leary hypothesized that the 'game' was perhaps not over, that the bondholders might convert their debt to equity and put the company back in play, and that the equity might be worth $15/share in a privatization deal. Essentially, every prediction O'Leary made concerning CMED never came to pass.

[9] The Panel heard multi-day testimony from Claimants' damages experts.

[10] Based on the need to meet a July 27 deadline, he would as a practical matter have had perhaps as few as 6 business days (allowing for settlement and conversion) to complete his purchases. This would have meant buying an *average* of 800,000 to 900, 000 shares a day. And, this assumes the amount of stock needed was available in the marketplace.

[11] Deutsch testified one of the reasons he kept his plans so close to the vest was out of concern that the market would realize he was the main if not only significant buyer of CMED. Heavy buying over 6-8 days would have communicated this in any event.

[12] Indeed, Deutsch testified that he thought it 'probably' might take $30 – 40 million. An argument could be made that Fidelity 'saved' him from spending this amount by cutting off further purchases.

The Cayman Islands Liquidation Even assuming, *arguendo,* that Deutsch and O'Leary had obtained a two-thirds equity interest, based on Deutsch's testimony and the opinion of their Cayman Islands legal expert, Andrew Bolton, on Caymans law, the Panel believes it highly likely the Cayman court would have liquidated CMED anyway.

Bolton's rebuttal Statement dated March 6, 2017 was offered by Claimants to establish that, absent two-thirds voting control, the Cayman Islands court would not have entertained any application to stay or forestall liquidation. According to Mr. Bolton, the Caymans is a "creditor – friendly jurisdiction… The drivers behind the 'rescue culture' seen in other jurisdictions are therefore not present. These considerations help to explain why in the Cayman Islands it is much harder to prevent an unpaid creditor from bringing insolvency proceedings than it can be in other jurisdictions."

Further, Bolton opined that: "The Court will not order an adjournment on the basis that the Company needs more time to pay an undisputed debt that is already due…" [13](citing *In the Matter of HSH Cayman Ltd*. [2010 (1) CLR]." Continuing, his opinion states: "In that case, it was argued that the debtor company was balance sheet solvent, or would become so*….* However, Justice Jones endorsed the principle (at paragraph 22) that it was not for the judge to tell the creditors what was in their commercial interest and (at paragraph 23) *'even if I thought that the companies were balance sheet solvent, that would not be an exceptional circumstance or special reason for refusing to make an immediate winding up order….* The views expressed by Justice Jones continue to represent the law in the Cayman Islands." (Emphasis in original)

In the case at hand, Deutsch and O'Leary's *only* argument for an adjournment would be their opinion that the company was worth well over a half a billion dollars[14] based on their *opinion* of the Chinese privatization market. They had *not* enlisted the support of the affected bondholders, taken control of CMED or any of its subsidiaries, named any officers, directors or other professionals (CMED's management – what was left of it – did not appear in Court to object)[15], seen any financial records since at least the end of 2011, and had no potential buyer waiting in the wings. In other words, Claimants had nothing "definite and real and reasonably proximate"[16] to offer the Court in exchange for an extension other than an *opinion*.

The Panel believes Bolton's Statement therefore applies with equal effect to Claimants obtaining any relief from the Caymans court even if they *had* obtained a controlling interest: "**In particular, on the authority of *HSH* the possibility that a deal might be done whereby the company could be returned to solvency at a future date would not suffice."** [17] (Emphasis added).

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[13] Which is precisely the argument Deutsch would have to make.

[14] At different times in his testimony, Deutsch stated he believed CMED was actually worth a billion dollars.

[15] Yet another 'red flag', since virtually all of the closed Chinese privatization transactions cited by Claimants involved existing management.

[16] Testimony of Andrew Bolton, April 14, 2015, page 98, lines 4-10. The evidence is to the effect that any deal for CMED would have taken at least a year – and probably longer, given the controversy surrounding the company – to close.

[17] Statement of Andrew Bolton, March 6, 2017, ¶¶ 4, 6, 10, 11, 13. In particular, Bolton laid out the following options for Deutsch and O'Leary to avoid liquidation: Raise funds to pay the bondholders; agree to a compromise with them; get the consent of 75% of creditor value to a scheme of arrangement; oppose the petition; or identify

The Bondholders O'Leary testified that, prior to the liquidation proceeding, he had information that the bondholders would accept 25% of the face amount of the bonds in default, or some $100 million, to settle their claims. Claimants merely assume that the bondholders would have taken the same deal *after* the liquidation petition had been filed since in their opinion they had no alternative. But, according to expert witness Andrew Bolton, since the Cayman Islands is a 'creditor friendly' jurisdiction, the bondholders would have a significant say in the outcome of the proceeding, and it is equally reasonable to expect that, if Deutsch and O'Leary argued to the Court that CMED was worth hundreds of millions in a privatization transaction, they would *not* have agreed to the same deal if they were to consent to a postponement or arrangement.[18] And, there is no evidence that Deutsch and O'Leary made even tentative arrangements to pay *any* sum to the bondholders apart from the proceeds they hoped would be realized on the sale of their hypothetical controlling interest a year or more later.

Chinese Subsidiaries Claimants have offered a statement from a Chinese law firm that the transfer of some 60% of the operating companies in China to entities controlled by former CMED Chairman Xiaodong Wu and his confederates in February 2012 appeared to be "reversible under Chinese law as fraudulent and unfair" or was not arm's length.[19] Assuming this to be true, there is no indication how long it would take for litigation to clarify this situation.[20] Until then, Deutsch, as the putative owner of CMED, would in theory control only 66% of 40% of the operating companies – an interest which would not be of value to any strategic buyer or private equity firm.

Potential Buyers Assuming they overcame all of these hurdles, Deutsch and O'Leary still had to find a buyer. The Chinese operating companies were apparently still conducting business but as a whole were barely generating small or no net revenues from 2012 going forward. There is no way of estimating what a legitimate buyer might have paid for control of these entities in 2012, 2013 or beyond. Additionally, there is no way of assessing what a potential buyer's due diligence would have uncovered and the impact any additional disclosures would have on a transaction. Although not factually probative in this arbitration, the recent Eastern District of New York's criminal indictment of Wu and Tsang as well as the reports of the Cayman liquidators raise some of the issues that a potential buyer would undoubtedly consider relevant in determining the amount they would offer, if any, to acquire an ultimate interest in the operating companies.[21] At the very least, a prospective buyer would have discovered in relatively short order that CMED's supposed $200 million cash hoard was non-existent and had in all probability been siphoned out of CMED by Wu and associates.[22]

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other exceptional circumstances. There is no indication they explored any of the first three of options in the month prior to the trading cut-off or thereafter, which is consistent with Deutsch's testimony that he wouldn't have done so until he had an equity control position. As a practical matter, he might have had a day at most to do any of the above prior to the July 27 hearing.

[18] Especially if the bondholders thought, as did O'Leary and Deutsch, there was $200 million in cash on the books available to pay them.

[19] Affidavit of Qing Li, June 29, 2015, ¶¶6 and 21. Of course, this is yet another 'red flag.'

[20] Since Deutsch testified that Wu wanted to prevent him from taking control, it can be surmised that the unwinding process would be expensive and protracted if Wu resisted.

[21] *United States v. Xiaodong Wu et al.*, 17 Crim. 00144 (EDNY 2017, March 20, 2017).

[22] Claimants' lowest damage claim reflects this worst case assumption. But it also assumes the bondholders would take 25% of the value of their holdings, or $100 million. If the bondholders refused to make a deal for less than 75% or more, for example, claimants' 'profit' on the deal would essentially disappear.

Now turning to the underlying merits of the claim, the Panel finds serious fault with Fidelity's handling of the Deutsch account during the critical period. There did not seem to be much communication or coordination between different departments of Fidelity as to how to approach the client or to formulate a uniform and informed solution to the problems presented by his acquisition strategy. In particular, no one at Fidelity reached out to the client to gain his essential perspective prior to terminating his trading in CMED. In essence, the firm appeared to be more focused on its own interests at the expense of accommodating those of its client or at *minimum* gaining a key understanding as to what the client's intentions and interests were. Instead, the conclusion was reached that Deutsch and O'Leary were engineering a short squeeze and should be cut off from further purchases of CMED. By reason of the foregoing, the Panel finds in favor of Claimants on this equitable issue. However, as mentioned above, whatever Fidelity did or did not do would not have altered the failure of Claimants' investment because the events that doomed the strategy were either external to Fidelity or internal to CMED.

The Panel has concluded from the foregoing that an award of *any* amount by way of the alternate damages calculations presented by Claimants would be entirely speculative, hypothetical, remote or all of the above. Hence, the Panel denies the claim in its entirety.

FEES

Pursuant to the Code of Arbitration Procedure, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee	=$ 1,800.00

**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 firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as parties, Fidelity Brokerage Services LLC and National Financial Services LLC are each assessed the following:

Member Surcharge	=$ 3,750.00
Pre-Hearing Processing Fee	=$ 750.00
Hearing Processing Fee	=$ 5,500.00

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

October 15-18 and November 12-14, 2013, postponement by Claimants	=$ 1,200.00
February 4-6, 2014, postponement by Respondents	=$ 1,000.00
February 27, 2015, postponement by Claimants	=$ 1,000.00
March 25-27, 2015, postponement by Claimants	=$ 1,000.00
April 16, 2015, postponement by Claimants	=$ 1,000.00
December 18, 2015, postponement by parties	=$ 1,000.00
October 3-5, 2016, postponement by parties	=$ 1,000.00
November 22, 2016, postponement by parties	Waived
November 28-30, 2016, postponement by parties	=$ 1,000.00
Total Postponement Fees	=$ 8,200.00

1. The Panel has assessed $4,600.00 of the adjournment fees jointly and severally to Claimants.
2. The Panel has assessed $3,600.00 of the adjournment fees jointly and severally to Respondents.

Last Minute Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

February 27, 2015, postponement requested by Claimants	=$ 300.00
March 25-27, 2015, postponement requested by Claimants	=$ 300.00
April 16, 2015, postponement requested by Claimants	=$ 300.00
November 22, 2016, postponement requested by parties	=$ 300.00
November 28-30, 2016, postponement requested by parties	=$ 300.00
Total Last Minute Cancellation Fees	=$ 1,500.00

1. The Panel has assessed $900.00 of the last minute cancellation fees jointly and severally to Claimants.
2. The Panel has assessed $600.00 of the last minute cancellation fees jointly and severally to Respondents.

Discovery-Related Motion Fee

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

Three (3) decisions on discovery-related motion on the papers with one (1) arbitrator @ $200.00/decision	=$ 600.00

Respondents submitted three discovery-related motions

Total Discovery-Related Motion Fees	=$ 600.00

The Panel has assessed the $600.00 discovery-related motion fees jointly and severally to Respondents.

Contested Motion for Issuance of Subpoena Fee

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) decision on a contested motion for the issuance of a subpoena with one arbitrator @ $200.00	=$	200.00
Total Contested Motion for Issuance of Subpoena Fee	=$	200.00

The Panel has assessed the $200.00 contested motion for issuance of subpoenas fees jointly and severally to Respondents.

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

One (1) pre-hearing session with the Panel @ $1,200.00/session			=$ 1,200.00
Pre-hearing conference:	January 29, 2013	1 session	
Three (3) pre-hearing sessions with the Panel @ $1,000.00/session			=$ 3,000.00
Pre-hearing conferences:	March 5, 2014	1 session	
	February 16, 2015	1 session	
	May 1, 2015	1 session	
Ninety six (96) hearing sessions @ $1,000.00/session			=$96,000.00
Hearing Dates:	July 1, 2014	2 sessions	
	July 2, 2014	2 sessions	
	July 3, 2014	2 sessions	
	July 8, 2014	2 sessions	
	July 9, 2014	2 sessions	
	July 10, 2014	2 sessions	
	July 22, 2014	2 sessions	
	July 23, 2014	2 sessions	
	July 24, 2014	2 sessions	
	November 4, 2014	2 sessions	
	November 7, 2014	2 sessions	
	November 18, 2014	2 sessions	
	November 21, 2014	2 sessions	
	December 2, 2014	2 sessions	
	December 5, 2014	2 sessions	
	February 9, 2015	2 sessions	
	February 10, 2015	2 sessions	
	February 11, 2015	2 sessions	
	February 23, 2015	2 sessions	
	February 26, 2015	2 sessions	
	April 14, 2015	2 sessions	
	April 15, 2015	2 sessions	
	May 14, 2015	2 sessions	

May 15, 2015	2 sessions
June 30, 2015	2 sessions
July 1, 2015	2 sessions
October 2, 2015	2 sessions
October 26, 2015	2 sessions
October 28, 2015	2 sessions
November 2, 2015	2 sessions
November 4, 2015	2 sessions
November 6, 2015	2 sessions
November 9, 2015	2 sessions
April 25, 2016	2 sessions
April 26, 2016	2 sessions
April 27, 2016	2 sessions
April 29, 2016	2 sessions
November 1, 2016	1 session
November 2, 2016	2 sessions
November 4, 2016	2 sessions
November 14, 2016	1 session
November 15, 2016	2 sessions
November 16, 2016	1 session
November 21, 2016	1 session
February 24, 2017	2 sessions
February 27, 2017	2 sessions
February 28, 2017	2 sessions
March 10, 2017	2 sessions
May 31, 2017	2 sessions
June 1, 2017	2 sessions

Total Hearing Session Fees =$100,200.00

1. The Panel has assessed $50,100.00 of the hearing session fees jointly and severally to Claimants.
2. The Panel has assessed $50,100.00 of the hearing session fees jointly and severally to Respondents.

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

ARBITRATION PANEL

Paul S. Biederman	-	Public Arbitrator, Presiding Chairperson
Robert E. Anderson	-	Public Arbitrator
Fred Shinagel	-	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

Paul S. Biederman
Public Arbitrator, Presiding Chairperson — Signature Date: 7/21/17

Robert E. Anderson
Public Arbitrator — Signature Date

Fred Shinagel
Non-Public Arbitrator — Signature Date

July 28, 2017
Date of Service (For FINRA Office of Dispute Resolution office use only)

ARBITRATION PANEL

Paul S. Biederman	-	Public Arbitrator, Presiding Chairperson
Robert E. Anderson	-	Public Arbitrator
Fred Shinagel	-	Non-Public Arbitrator

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Paul S. Biederman
Public Arbitrator, Presiding Chairperson

Signature Date

Robert E. Anderson
Public Arbitrator

7/22/17
Signature Date

Fred Shinagel
Non-Public Arbitrator

Signature Date

July 28, 2017
Date of Service (For FINRA Office of Dispute Resolution office use only)

ARBITRATION PANEL

Paul S. Biederman	-	Public Arbitrator, Presiding Chairperson
Robert E. Anderson	-	Public Arbitrator
Fred Shinagel	-	Non-Public Arbitrator

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Concurring Arbitrators' Signatures

Paul S. Biederman
Public Arbitrator, Presiding Chairperson

Signature Date

Robert E. Anderson
Public Arbitrator

Signature Date

Fred Shinagel
Non-Public Arbitrator

7.27.17
Signature Date

July 28, 2017
Date of Service (For FINRA Office of Dispute Resolution office use only)