

**Award**  
**FINRA Office of Dispute Resolution**

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In the Matter of the Arbitration Between:

Claimant  
John V. Lins

Case Number: 17-01975

vs.

Respondents  
Cambridge Investment Research, Inc.  
Kovack Securities Inc

Hearing Site: Baltimore, Maryland

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Nature of the Dispute: Customer vs. Members

This case was decided by an all-public panel.

**REPRESENTATION OF PARTIES**

For Claimant John V. Lins: Thomas C. Costello, Esq., Costello Law Group, Towson, Maryland.

For Respondent Cambridge Investment Research, Inc (“Cambridge”): John Hitchings, Esq., Sichenzia Ross Ference Kesner LLP, New York, New York.

For Respondent Kovack Securities Inc (“KSI”): Debra Jenks, Esq., Jenks & Harvey LLP, West Palm Beach, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: July 27, 2017.  
Claimant signed the Submission Agreement: July 24, 2017.

Statement of Answer filed by Cambridge on or about: October 4, 2017  
Cambridge signed the Submission Agreement: October 6, 2017.

Statement of Answer filed by KSI on or about: October 4, 2017.  
KSI signed the Submission Agreement: October 4, 2017.

### **CASE SUMMARY**

Claimant asserted the following causes of action: actual fraud, constructive fraud, misrepresentation/omission of material facts, breach of contract, negligence, and violation of Maryland Securities Act. The causes of action relate to Marathon Patent Group, Inc. stock.

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

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

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested unspecified compensatory damages, punitive damages, interest, attorneys' fees, costs and such other and further relief as justice may require.

In the Statement of Answer Cambridge requested the Panel deny the Statement of Claim with prejudice and such other and further relief that the Panel deems just, equitable, and proper.

In the Statement of Answer KSI requested dismissal of the Statement of Claim in its entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

On or about August 30, 2018, Claimant dismissed KSI as a party with prejudice.

On or about September 5, 2018, Claimant filed a Motion to Amend the Statement of Claim. Cambridge filed an Opposition dated September 13, 2018. After due deliberation, the Panel denied the Motion orally at the September 17, 2018 hearing.

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Cambridge is liable for and shall pay to Claimant the sum of \$210,000.00 in compensatory damages.
2. Cambridge is liable for and shall pay to Claimant \$375.00 as reimbursement of the non-refundable portion of the filing fee.
3. Any and all claims for relief not specifically addressed herein, including punitive damages, and attorneys' fees, are denied.

## **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	=\$ 1,575.00
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*\*The filing fee is made up of a non-refundable and a refundable portion.*

As stated in the Award section above, Cambridge is liable for and shall pay to Claimant the \$375.00 non-refundable portion of the filing fee.

### **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 persons at the time of the events giving rise to the dispute. Accordingly, as parties Cambridge Investment Research, Inc., and Kovack Securities Inc. are each assessed the following:

Member Surcharge	=\$ 1,900.00
Member Process Fee	=\$ 3,750.00

**Discovery-Related Motion Fee**

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

One (1) decision on a discovery-related motion on the papers  
with one (1) arbitrator @ \$200.00/decision = \$ 200.00

Cambridge submitted one discovery-related motion

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Total Discovery-Related Motion Fees = \$ 200.00

The Panel has assessed the \$200.00 discovery-related motion fees to Cambridge.

**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 arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session with a single arbitrator @ \$450.00/session = \$ 450.00  
Pre-hearing conference: July 18, 2018 1 session

One (1) pre-hearing session with the Panel @ \$1,125.00/session = \$1,125.00  
Pre-hearing conference: December 6, 2017 1 session

Five (5) hearing sessions @ \$1,200.00/session = \$5,625.00  
Hearing Dates: September 17, 2018 2 sessions  
September 18, 2018 2 sessions  
September 19, 2018 1 session

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Total Hearing Session Fees = \$7,200.00

The Panel has assessed the \$7,200.00 hearing session fees to Cambridge.

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

**ARBITRATION PANEL**

Evelyn D. Pisegna-Cook	-	Public Arbitrator, Presiding Chairperson
Harold Craig Cohen	-	Public Arbitrator
Thomas Edward Willich	-	Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

**Concurring Arbitrators' Signatures**

/s/ Evelyn D Pisegna-Cook  
Evelyn D. Pisegna-Cook  
Public Arbitrator, Presiding Chairperson

September 28, 2018  
Signature Date

Harold Craig Cohen  
Harold Craig Cohen  
Public Arbitrator

Signature Date

Thomas Edward Willich  
Thomas Edward Willich  
Public Arbitrator

Signature Date

October 3, 2018  
Date of Service (For FINRA Office of Dispute Resolution office use only)

**ARBITRATION PANEL**

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Harold Craig Cohen	-	Public Arbitrator
Thomas Edward Willich	-	Public Arbitrator

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Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Harold Craig Cohen s/s  
Harold Craig Cohen  
Public Arbitrator

\_\_\_\_\_  
September 28, 2018  
Signature Date

\_\_\_\_\_  
Thomas Edward Willich  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
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Evelyn D. Pisegna-Cook  
Public Arbitrator, Presiding Chairperson

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Signature Date

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Harold Craig Cohen  
Public Arbitrator

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Signature Date

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**THOMAS WILLICH**

Thomas Edward Willich  
Public Arbitrator

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**10/2/2018**

Signature Date

October 3, 2018

Date of Service (For FINRA Office of Dispute Resolution office use only)