

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
NEXT Financial Group, Inc.

Case Number: 18-01326

vs.

Respondent
Douglas P. Simanski

Hearing Site: Pittsburgh, Pennsylvania

Nature of the Dispute: Member vs. Associated Person

This case was decided by a majority-public panel.

REPRESENTATION OF PARTIES

For Claimant NEXT Financial Group, Inc. ("Claimant"): Michael A. Rodriguez, Esq.,
Ballard & Littlefield, LLP, Houston, Texas.

Respondent Douglas P. Simanski ("Respondent") did not appear.

CASE INFORMATION

Statement of Claim filed on or about: April 10, 2018.

Claimant signed the Submission Agreement: April 10, 2018.

Respondent did not file a Statement of Answer or Submission Agreement.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action: breach of contract and common law indemnification. The causes of action related to Claimant's allegations that, in violation of the Independent Contractor Agreement between Claimant and Respondent, Respondent failed to obtain Claimant's approval for all of his personal securities accounts and all of his outside business activities, failed to inform clients that he was not acting as a representative of Claimant when he solicited funds from them for his unapproved outside business activities, and failed to indemnify Claimant for settlements entered into by Claimant in relation to Respondent's unapproved outside business activities.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested money damages in the amount of \$2,376,000.00, plus any further amounts that are paid to settle claims between the date the Statement of Claim is filed and an award is entered; all reasonable attorneys' fees and costs incurred by Claimant in collecting this obligation; all pre-judgment and post-

judgment interest as allowed by law; and such other and further relief as the Panel may deem just.

At the close of the hearing, Claimant requested \$2,313,423.00 in damages.

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent did not file with FINRA Office of Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and is bound by the determination of the Panel on all issues submitted.

Respondent did not appear at the evidentiary hearing. Upon review of the file and the representations made on behalf of Claimant, the Panel determined that Respondent has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the Code.

The party present at the hearing has 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 the evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant the sum of \$2,004,423.00 in compensatory damages.
2. Respondent is liable for and shall pay to Claimant the sum of \$6,200.00 as reimbursement for the initial filing fee and hear session fees in this matter.
3. Other than forum fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter.
4. Any and all claims for relief not specifically addressed herein, including 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	=\$ 3,400.00
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**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 events giving rise to the dispute. Accordingly, as a party, Claimant is assessed the following:

Member Surcharge	=\$ 3,025.00
Member Process Fee	=\$ 6,175.00

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 @ \$1,400.00/session	=\$ 1,400.00
Pre-hearing conference: August 6, 2018	1 session

One (1) hearing session @ \$1,400.00/session	=\$ 1,400.00
Hearing Date: September 21, 2018	1 session

Total Hearing Session Fees	=\$ 2,800.00
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The Panel has assessed \$2,800.00 of the hearing session fees to Claimant.

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

ARBITRATION PANEL

Stuart C. Gaul	-	Public Arbitrator, Presiding Chairperson
Frank C. Botta	-	Public Arbitrator
Arthur Lewis Goldberg	-	Non-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



Stuart C. Gaul
Public Arbitrator, Presiding Chairperson



Signature Date

Frank C. Botta
Public Arbitrator

Signature Date

Arthur Lewis Goldberg
Non-Public Arbitrator

Signature Date

January 8, 2019

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

ARBITRATION PANEL

Stuart C. Gaul	-	Public Arbitrator, Presiding Chairperson
Frank C. Botta	-	Public Arbitrator
Arthur Lewis Goldberg	-	Non-Public Arbitrator

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Concurring Arbitrators' Signatures

Stuart C. Gaul
Public Arbitrator, Presiding Chairperson

Signature Date

Frank C. Botta

Frank C. Botta
Public Arbitrator

12/28/18

Signature Date

Arthur Lewis Goldberg
Non-Public Arbitrator

Signature Date

January 8, 2019

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

ARBITRATION PANEL

Stuart C. Gaul - Public Arbitrator, Presiding Chairperson
Frank C. Botta - Public Arbitrator
Arthur Lewis Goldberg - Non-Public Arbitrator

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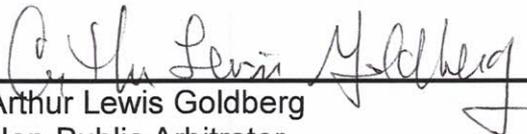
Concurring Arbitrators' Signatures

Stuart C. Gaul
Public Arbitrator, Presiding Chairperson

Signature Date

Frank C. Botta
Public Arbitrator

Signature Date



Arthur Lewis Goldberg
Non-Public Arbitrator

12-30-18
Signature Date

January 8, 2019

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