

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimants
James W. Umstead
Betty L. Umstead

Case Number: 11-03025

vs.

Respondent
Nations Financial Group, Inc.

Hearing Site: Philadelphia, Pennsylvania

Nature of the Dispute: Customer vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants James W. Umstead and Betty L. Umstead: Bruce D. Oakes, Esq., Oakes & Foshier, LLC, St. Louis, Missouri.

For Respondent Nations Financial Group, Inc.: William T. McCartan, Esq., Bradley & Riley PC, Cedar Rapids, Iowa.

CASE INFORMATION

Statement of Claim filed on or about: July 28, 2011.

James W. Umstead signed the Submission Agreement: July 20, 2011.

Betty L. Umstead signed the Submission Agreement: July 20, 2011.

Statement of Answer filed by Respondent on or about: October 14, 2011.

Respondent signed the Submission Agreement: October 14, 2011.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty, violation of New Jersey Securities Act, common law fraud, breach of contract, negligence, negligent misrepresentation and omissions, and negligent supervision. The causes of action relate to unspecified securities.

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

RELIEF REQUESTED

In the Statement of Claim, Claimants requested compensatory damages in the amount of \$300,000.00 plus interest, punitive damages, attorneys' fees, and costs.

Respondent requested that Claimants' claims be dismissed with prejudice, expungement of this matter from unnamed party Susan Frenkel's CRD record, and such other and further relief as deemed just and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

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

The Arbitrators reviewed and considered a motion filed by Respondent to disqualify Claimant's Counsel and that motion was denied.

The parties 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 recorded 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 Claimants compensatory damages in the amount of \$216,492.00 plus interest at the rate of 5.5% per annum from December 1, 2008 until the award is paid in full.
2. Respondent is liable for and shall pay to Claimants costs in the amount of \$13,332.00.
3. Respondent is liable for and shall pay to Claimants \$300.00 to reimburse Claimants for the non-refundable portion of the filing fee previously paid to FINRA Dispute Resolution.
4. Respondent's request for expungement of unnamed party Susan Frenkel's CRD record is denied.
5. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee	=\$ 1,425.00
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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, Nations Financial Group, Inc. is assessed the following:

Member Surcharge	=\$ 1,700.00
Pre-Hearing Processing Fee	=\$ 750.00
Hearing Processing Fee	=\$ 2,750.00

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:

Six (6) Hearing sessions @ \$1,125.00	=\$ 6,750.00
Hearing Dates:	
October 22, 2013 2 sessions	
October 23, 2013 2 sessions	
<u>October 24, 2013</u> 2 sessions	
Total Hearing Session Fees	=\$ 6,750.00

The Panel has assessed the \$6,750.00 hearing session fees to Respondent.

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

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ARBITRATION PANEL

Paul Ribner
 Rafael A. Porrata-Doria, Jr.
 Margaret Mary Crumley

Public Arbitrator, Presiding Chairperson
 Public Arbitrator
 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

1=F² _____ 2/ _____
 Paul Ribner Signatuilla Date
 Public Arbitrator, Presiding Chairperson

 Rafael A. Porrata-Dona, Jr. Signature Date
 Public Arbitrator

 Margaret Mary Crumley Signature Date
 Public Arbitrator

December 6, 2013
 Date of Service (For FINRA Dispute Resolution office use only)

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ARBITRATION PANEL

Paul Ribner
Rafael A. Porrata-Doria, Jr.
Margaret Mary Crumley

Public Arbitrator, Presiding Chairperson
Public Arbitrator
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

Paul Ribner
Public Arbitrator

Presiding Chairperson

Signature Date

Rafael A. Porrata-Doria, Jr.
Public Arbitrator

Signature Date

Margaret Mary Crumley
Public Arbitrator

Signature Date

December 6, 2013

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