

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

US Airways, Inc. (Claimant) v. Roland Hansalik, Lars Jacobson, George Barclay Perry,
and Joseph Arena (Respondents)

Case Number: 09-06905

Hearing Site: New York, New York

Nature of the Dispute: Customer vs. Associated Persons.

REPRESENTATION OF PARTIES

Claimant US Airways, Inc., hereinafter referred to as "Claimant": Stephen Davidson, Esq., and Michael J. Baratz, Esq., Steptoe & Johnson LLP, Washington, D.C.

Respondents Ronald Hansalik ("Hansalik"), Lars Jacobson ("Jacobson"), George Barclay Perry ("Perry"), and Joseph Arena ("Arena"), hereinafter collectively referred to as "Respondents": Phillip E. Cook, Esq., Jones Day, Los Angeles, CA.

CASE INFORMATION

Amended Statement of Claim filed on or about: December 23, 2009.
Claimant signed the Submission Agreement: December 1, 2009.

Joint Statement of Answer filed by Respondents on or about: March 2, 2010.
Hansalik signed the Submission Agreement: March 1, 2010.
Jacobson signed the Submission Agreement: February 25, 2010.
Perry signed the Submission Agreement: February 25, 2010.
Arena signed the Submission Agreement: February 25, 2010.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability, unauthorized purchases, negligent misrepresentation, negligence, gross negligence, failure to supervise, and breach of fiduciary duty. The causes of action relate to unspecified auction rate securities.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in an amount to be determined at arbitration that includes all illiquid securities in Claimant's account at par, totaling \$134.6 million, special and other money damages, including the difference between par and the market price secured upon redemption of any securities at issue in this matter, punitive damages in the amount of \$403.8 million, interest at the rate of 9%

FINRA Dispute Resolution
Arbitration No. 09-06905
Award Page 2 of 5

per annum, attorneys' fees, costs, and such other relief as is just, fair, and equitable.

At the close of the hearing, Claimant requested compensatory damages in the amount of \$91.235 million or lesser amounts based on alternative calculations and theories of damages.

Respondents requested that Claimant's claims be dismissed with prejudice, costs, attorneys' fees, and that this matter be expunged from their CRD records.

OTHER ISSUES CONSIDERED AND DECIDED

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

Claimant initially filed a Statement of Claim on or about December 11, 2009. It filed an Amended Statement of Claim on or about December 23, 2009 replacing the original Statement of Claim. The original Statement of Claim was not served on the Respondents and not considered by the Panel.

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

1. Hansalik, Perry, and Arena are jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of \$15,000,000.00 (Fifteen Million dollars).
2. Claimant's claims against Jacobson are denied in their entirety.
3. Respondents' requests for expungement are denied.
4. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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

= \$1,800.00

**The filing fee is made up of a non-refundable and a refundable portion.*

FINRA Dispute Resolution
 Arbitration No. 09-06905
 Award Page 3 of 5

Discovery-Related Motion Fees

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

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

Claimant submitted (1) one discovery-related motion
Total Discovery-Related Motion Fees = \$ 200.00

1. The Panel has assessed \$100.00 of the discovery-related motion fees to Claimant.
2. The Panel has assessed \$100.00 of the discovery-related motion fees jointly and severally to Hansalik, Perry, and Arena.

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:

Four (4) Pre-hearing sessions with Panel @ \$1,200.00 = \$ 4,800.00
 Pre-hearing conferences: July, 27, 2010 1 session
 February 9, 2011 1 session
 February 18, 2011 1 session
 March 1, 2011 1 session

Thirty-four (34) Hearing sessions @ \$1,200.00 = \$40,800.00
 Hearing Dates: March 28, 2011 2 sessions
 March 29, 2011 2 sessions
 March 30, 2011 2 sessions
 March 31, 2011 2 sessions
 April 1, 2011 2 sessions
 April 4, 2011 2 sessions
 April 5, 2011 2 sessions
 April 6, 2011 2 sessions
 April 28, 2011 2 sessions
 April 29, 2011 2 sessions
 May 2, 2011 2 sessions
 May 3, 2011 2 sessions
 May 4, 2011 2 sessions
 May 5, 2011 2 sessions
 May 6, 2011 2 sessions
 May 10, 2011 2 sessions
 May 11, 2011 2 sessions

Total Hearing Session Fees = \$45,600.00

FINRA Dispute Resolution
Arbitration No. 09-06905
Award Page 4 of 5

1. The Panel has assessed \$22,800.00 of the hearing session fees to Claimant.
2. The Panel has assessed \$22,800.00 of the hearing session fees jointly and severally to Hansalik, Perry, and Arena.

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

FINRA Dispute Resolution
Arbitration No: 09-08905
Award Page 5 of 5

ARBITRATION PANEL

Marguerite E. Filson	-	Public Arbitrator, Presiding Chairperson
Maya Steiniz	-	Public Arbitrator
Sally J. Sancinino	-	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

Marguerite E. Filson
Public Arbitrator, Presiding Chairperson

Signature Date



Maya Steiniz
Public Arbitrator

5/26/2011

Signature Date

Sally J. Sancinino
Non-Public Arbitrator

Signature Date

May 27, 2011

Date of Service (For FINRA Dispute Resolution use only)

FINRA Dispute Resolution
Arbitration No. 09-06905
Award Page 5 of 5

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Maya Steinitz - Public Arbitrator
Sally J. Sancimino - Non-Public Arbitrator

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Marguerite B. Filson
Public Arbitrator, Presiding Chairperson

Signature Date

Maya Steinitz
Public Arbitrator

Signature Date



Sally J. Sancimino
Non-Public Arbitrator

5/26/11
Signature Date

May 27, 2011

Date of Service (For FINRA Dispute Resolution use only)