

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
US Airways, Inc.

Case Number: 09-00878

vs.

Respondents
Oppenheimer & Co., Inc.
Vincent Woo

Hearing Site: New York, New York

vs.

Third Party Respondents
Deutsche Bank Securities, Inc.
Deutsche Bank AG

Nature of the Dispute: Customer vs. Member and Associated Person vs. Member and Non-Member

REPRESENTATION OF PARTIES

Claimant US Airways, Inc., hereinafter referred to as "Claimant": Robert W. Henoch, Esq., Kobre & Kim LLP, New York, New York and Steven K. Davidson, Esq., Steptoe & Johnson LLP, Washington, DC.

Respondent Oppenheimer & Co., Inc., hereinafter referred to as "Oppenheimer": Thomas J. Hennessey, Esq., Bingham McCutchen LLP, Boston, Massachusetts.

Respondent Vincent Woo, hereinafter referred to as "Woo": Marvin G. Pickholz, Esq., Duane Morris LLP, New York, New York.

Oppenheimer and Woo are hereinafter collectively referred to as "Respondents".

Third-Party Respondent Deutsche Bank Securities, Inc., hereinafter referred to as "Deutsche Bank Securities": Allan N. Taffet, Esq., Duval & Stachenfeld LLP, New York, New York.

Third-Party Respondent Deutsche Bank AG did not enter an appearance in this matter.

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CASE INFORMATION

Statement of Claim filed on or about: February 17, 2009.
Claimant signed the Submission Agreement: February 18, 2009.

Joint Statement of Answer filed by Respondents on or about: July 10, 2009.
Oppenheimer's Third-Party Statement of Claim filed on or about: July 10, 2009.
Oppenheimer signed the Submission Agreement: July 10, 2009.
Woo signed the Submission Agreement: April 27, 2009.

Statement of Answer filed by Third-Party Respondent Deutsche Bank Securities on or about: October 2, 2009.
Deutsche Bank Securities signed the Submission Agreement: October 2, 2009.

Deutsche Bank AG did not submit a Statement of Answer or a Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, unsuitability, unauthorized purchases, violation of Section 10(b) and Rule 10b-5 of the Securities Exchange Act, fraudulent misrepresentation, conversion, negligence, gross negligence, breach of fiduciary duty, and failure to supervise. The causes of action relate to certain structured, private placement auction rate securities.

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

Oppenheimer asserted the following causes of action in its Third-Party Statement of Claim: violations of Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5 thereunder, Section 17(a) of the Securities Act of 1933, Section 20(a) of the Exchange Act, Section 15A(b)(6) of the Securities Exchange Act of 1934 and FINRA Rule 2010, breach of settlement agreement, fraudulent misrepresentation, negligent misrepresentation, common law negligence, contribution and indemnity, and unjust enrichment.

Unless specifically admitted in its Answer, Deutsche Bank Securities denied the allegations made in the Third-Party Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

- A) an order declaring that Respondents mismanaged Claimant's accounts and violated investment objectives and compelling Respondents to purchase from Claimant all currently illiquid securities, amounting to \$253,100,000.00, at par plus accrued interest; or
- B) in the alternative, an order rescinding the purchase of the currently illiquid securities; and
- C) damages in an amount to be determined at arbitration, punitive damages of triple the damages suffered for a total of \$759,300,000.00, interest, reasonable attorneys' fees, costs, and such other relief as is just, fair, and equitable.

At the hearing, Claimant requested compensatory damages in the amount of \$110,390,000.00, \$26,460,000.00 in pre-judgment interest, and attorneys' fees.

Respondents requested the dismissal of the Statement of Claim in its entirety, costs and expenses of this arbitration, and such other and further relief as is just and proper.

At the hearing, Oppenheimer requested \$8,025,887.00 in fees and \$1,007,986.00 in costs.

In its Third-Party Statement of Claim, Oppenheimer requested:

- A) an order declaring that Oppenheimer properly and reasonably relied upon the representations made by Deutsche Bank Securities and Deutsche Bank AG, the "AAA" ratings given by Fitch Ratings and Standard and Poor's Rating Services, and the integrity of the Dutch auction process;
- B) an order declaring that, to the extent there were any misrepresentations or omissions of material facts, the misrepresentations were made by Deutsche Bank Securities and Deutsche Bank AG and not Oppenheimer;
- C) an order declaring that Deutsche Bank Securities and Deutsche Bank AG are jointly and severally liable to Oppenheimer for any amount awarded against Oppenheimer, including pre- and post-judgment interest; and
- D) attorneys' fees and costs incurred in defense of Claimant's Statement of Claim and bringing the Third-Party Claim.

Deutsche Bank Securities requested the Third-Party Statement of Claim be denied in its entirety, costs and disbursements of defending this action, including attorneys' fees, and any further relief that the Panel deems just and equitable.

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OTHER ISSUES CONSIDERED AND DECIDED

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

Deutsche Bank AG is not a member or associated person of FINRA and did not voluntarily submit to arbitration; therefore, the Panel made no determination with respect to Claimant's claims against Deutsche Bank AG.

On October 2, 2009, Deutsche Bank Securities filed a Motion to Sever and Respondents objected. After due deliberation and by Order dated July 23, 2010, the Panel granted Deutsche Bank Securities' Motion to Sever.

By correspondence dated June 10, 2011, Respondents filed a Joint Motion for Reconsolidation. Claimant and Deutsche Bank Securities opposed Respondents' Motion. After due deliberation and by Order dated July 14, 2011, the Panel denied Respondents' Motion.

By correspondence dated August 26, 2011, Respondents filed a Joint Motion for Sanctions and Claimant objected. The Panel deferred the decision of the Motion until the final award.

At the conclusion of Claimant's case in chief, Respondents filed a Motion to Dismiss and Motion to Partially Dismiss, and Claimant objected. After due deliberation and by Order dated August 9, 2012, the Panel denied Respondents' Motion to Dismiss. The Panel granted Respondents' Motion to Partially Dismiss with the modification that "the Panel believes that Claimant's obligation to mitigate any damages could and should have been fulfilled in the fall of 2007."

Claimant filed a Motion to Bar Peter Soare's testimony and Respondents objected. After due deliberation and by Order dated August 9, 2012, the Panel denied Claimant's Motion to Bar.

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.

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AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of \$30,000,000.00. Woo's liability is not to exceed the dollar amount of his commissions generated by the Camber, Pivot, and Capstan transactions in Claimant's account (other than the commissions made from Camber series 1, 2, 3, 4 and 6, which are the Camber series that were redeemed).
2. Respondents' Motion for Sanctions is denied.
3. Any and all requests for relief not specifically addressed herein, including punitive damages, are 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
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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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as parties, Oppenheimer & Co., Inc. and Deutsche Bank Securities, Inc. are each assessed the following:

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 2-6, 9, 16-20, 23-26, and June 6-10, 2011 adjournment by Woo	Waived
February 3, 2012 adjournment by parties	Waived

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One Hundred Twenty Seven (127) Hearing sessions @ \$1,200.00 = \$152,400.00

Hearing Dates:	September 12, 2011	2 sessions
	September 13, 2011	2 sessions
	September 14, 2011	2 sessions
	September 15, 2011	2 sessions
	November 8, 2011	2 sessions
	November 9, 2011	2 sessions
	November 10, 2011	2 sessions
	November 11, 2011	2 sessions
	November 14, 2011	2 sessions
	November 15, 2011	2 sessions
	November 16, 2011	2 sessions
	November 17, 2011	2 sessions
	November 18, 2011	2 sessions
	December 2, 2011	2 sessions
	December 5, 2011	2 sessions
	December 6, 2011	2 sessions
	December 9, 2011	2 sessions
	December 12, 2011	2 sessions
	December 13, 2011	2 sessions
	December 14, 2011	2 sessions
	January 23, 2012	2 sessions
	January 24, 2012	2 sessions
	January 25, 2012	2 sessions
	January 26, 2012	2 sessions
	January 30, 2012	2 sessions
	February 2, 2012	2 sessions
	May 7, 2012	2 sessions
	May 8, 2012	2 sessions
	May 9, 2012	2 sessions
	May 10, 2012	2 sessions
	May 11, 2012	2 sessions
	May 14, 2012	2 sessions
	May 30, 2012	2 sessions
	May 31, 2012	2 sessions
	June 1, 2012	2 sessions
	June 4, 2012	2 sessions
	June 5, 2012	2 sessions
	June 11, 2012	2 sessions
	June 13, 2012	2 sessions
	June 27, 2012	2 sessions
	June 28, 2012	2 sessions
	June 29, 2012	1 session
	July 11, 2012	2 sessions
	July 12, 2012	2 sessions
	July 13, 2012	2 sessions
	July 17, 2012	2 sessions
	July 18, 2012	2 sessions
	July 19, 2012	2 sessions

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July 20, 2012	2 sessions
July 23, 2012	2 sessions
July 24, 2012	2 sessions
July 25, 2012	2 sessions
July 26, 2012	2 sessions
September 18, 2012	2 sessions
September 19, 2012	2 sessions
October 15, 2012	2 sessions
October 16, 2012	2 sessions
October 17, 2012	2 sessions
October 18, 2012	2 sessions
November 5, 2012	2 sessions
November 6, 2012	2 sessions
November 7, 2012	2 sessions
November 8, 2012	2 sessions
December 10, 2012	2 sessions

Total Hearing Session Fees = \$165,000.00

1. The Panel has assessed \$82,500.00 of the hearing session fees to Claimant.
2. The Panel has assessed \$82,500.00 of the hearing session fees jointly and severally to Respondents.

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

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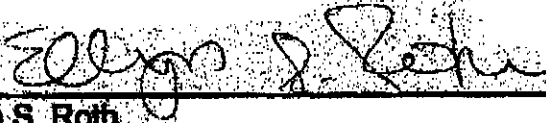
ARBITRATION PANEL

**Elyn S. Roth
James S. Hazard
Catherine I. Gulevich**

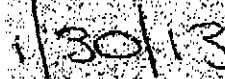
**Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator**

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



**Elyn S. Roth
Public Arbitrator, Presiding Chairperson**



Signature Date

**James S. Hazard
Public Arbitrator**

Signature Date

**Catherine I. Gulevich
Non-Public Arbitrator**

Signature Date

January 31, 2013

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

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ARBITRATION PANEL

Ellyn S. Roth	-	Public Arbitrator, Presiding Chairperson
James S. Hazard	-	Public Arbitrator
Catherine I. Gulevich	-	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

 Ellyn S. Roth
 Public Arbitrator, Presiding Chairperson

 Signature Date

 James S. Hazard
 Public Arbitrator

 Signature Date



 Catherine I. Gulevich
 Non-Public Arbitrator



 Signature Date

January 31, 2013

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