

AWARD
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

Annette Bosco, The Bosco Family Trust dtd 7/31/96, by its Trustee Annette Bosco, The Bosco Family Trust 6/25/96, by its Trustee Annette Bosco, Mary Borowiak, The Mary Borowiak Trust, by its Trustee Mary Borowiak, Michael Borowiak, Richard Rubel, and Diane Rubel

vs.

Case Number: 13-01787
Hearing Site: Chicago, Illinois

Names of Respondents

RBC Capital Markets, LLC,
Roger F. Leibowitz, Robert P. Mather,
Richard Landi, Allied Beacon Partners, Inc.

NATURE OF THE DISPUTE

Customers vs. Members and Associated Persons

The case proceeded under the Optional All Public Panel Rule/ All Public Panel

REPRESENTATION OF PARTIES

Annette Bosco, The Bosco Family Trust dtd 7/31/96, by its Trustee, Annette Bosco, The Bosco Family Trust dtd 6/25/96, by its Trustee, Annette Bosco, Mary Borowiak, The Mary Borowiak Trust, Michael Borowiak, Richard Rubel, and Diane Rubel ("Claimants") were represented by W. Scott Greco, Esq., Greco & Greco, PC, McLean, Virginia.

RBC Capital Markets, LLC ("RBC") was represented by Todd W. Schnell, Esq., RBC Wealth Management, Minneapolis, Minnesota.

Robert P. Mather ("Mather") was represented by Steven S. Biss, Esq., Charlottesville, Virginia until April 25, 2014 when a Notice of Appearance was filed by Debra A. Jenks, Esq. and Robert J. Harvey, Esq., Ciklin Lubitz Martens & O'Connell, West Palm Beach, Florida.

Allied Beacon Partners, Inc. ("ABP"), Richard Landi ("Landi"), and Roger F. Leibowitz, ("Leibowitz"), hereinafter collectively referred to as "ABP Respondents," were represented by Steven S. Biss, Esq., Charlottesville, Virginia.

CASE INFORMATION

The Statement of Claim was filed on or about June 13, 2013. The Submission Agreement of Claimant, Annette Bosco, was signed on or about June 11, 2013. The Submission Agreement of Claimant, The Bosco Family Trust dtd 7/31/96, by its Trustee, Annette Bosco, was signed on or about June, 11, 2013. The Submission Agreement of Claimant, The Bosco Family Trust dtd 6/25/96, by its Trustee, Annette Bosco, was signed on or about June 11, 2013. The Submission Agreement of Claimant, Mary Borowiak, was signed on or about June 11, 2013. The Submission Agreement of Claimant, The Mary Borowiak Trust, by its Trustee, May Borowiak, was signed on or about June 11, 2013. The Submission Agreement of Claimant, Michael Borowiak, was signed on or about June 11, 2013. The Submission Agreement of Claimant, Richard Rubel, was signed on or about June 11, 2013. The Submission Agreement of Claimant, Diane Rubel, was signed on or about June 11, 2013. The Amended Statement of Claim was filed on or about August 23, 2013.

The Submission Agreement of Respondent, RBC Capital Markets, LLC, was signed on or about July 17, 2013.

The Statement of Answer was filed jointly by Respondents, Robert P. Mather, Roger F. Leibowitz, Richard Landi, and Allied Beach Partners, Inc., on or about August 30, 2013. The Submission Agreement of Respondent, Richard Landi, was signed on or about September 2, 2014. The Submission Agreement of Respondent, Robert P. Mather, was signed on or about September 4, 2014. The Submission Agreement of Respondent, Allied Beacon Partners, Inc., was signed on or about September 4, 2014. The Submission Agreement of Respondent, Roger F. Leibowitz, was signed on or about September 4, 2014.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; negligence; equitable and injunctive relief; securities fraud; violations of the Illinois Securities Act; fraud; constructive fraud; and breach of fiduciary duty against Respondents Leibowitz and Landi. The causes of action related to ABP's loss of a FINRA arbitration brought by the Claimants in Case No. 10-01778, ABP's subsequent shut down due to net capital violations caused by the arbitration award and its control persons, Robert Mather, Roger Leibowitz, and Richard Landi's, failure and refusal to pay ABP's assets to the Claimants pursuant to the arbitration award rendered in Case No. 10-01778.

Unless specifically admitted in their Answer, ABP Respondents and Mather denied the

allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Amended Statement of Claim, Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$1,607,500.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified
Other Non-Monetary Relief	Injunctive Relief

ABP Respondents and Mather requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

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

On or about January 27, 2014 in bifurcated Arbitration #14-00023, Claimants and RBC Capital Markets, LLC ("RBC") entered into a Stipulated Award whereby Claimants withdrew and dismissed all claims that they brought or could have brought against RBC with prejudice and RBC agreed to not release any assets of ABP without the consent of all parties or unless ordered by this Panel.

On or about July 2, 2014, ABP Respondents filed a Motion to Dismiss. On or about July 2, 2014, Mather filed a Motion to Dismiss and Joinder in the Motion to Dismiss filed by ABP Respondents. On or about July 22, 2014, Claimants filed a Response in Opposition to the Motions to Dismiss. On or about July 28, 2014, Mather filed a Reply to Claimants' Response in Opposition to the Motions to Dismiss. On August 19, 2014, the Panel conducted a recorded, telephonic conference to hear oral arguments on the Motions to Dismiss. In its Order dated August 19, 2014, the Panel denied ABP Respondents' Motion to Dismiss without prejudice and also denied Mather's Motion to Dismiss without prejudice.

On or about August 22, 2014, Claimants filed a Motion to Compel. On or about August 26, 2014, the Panel determined that Claimants' Motion would be addressed at the commencement of the hearing on September 15, 2014. At the hearing, Claimants' Motion to Compel was withdrawn in part and granted in part.

At the hearing, the parties requested that the stenographic record of the hearing serve as the official transcript of the hearing. The Panel granted the request.

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

- 1.) Respondents, Robert P. Mather and Roger F. Leibowitz, are jointly and severally liable for and shall pay to Claimants, Annette Bosco, The Bosco Family Trust dtd 7/31/96, by its Trustee Annette Bosco, The Bosco Family Trust dtd 6/25/96, by its Trustee, Annette Bosco, Mary Borowiak, The Mary Borowiak Trust, Michael Borowiak, Richard Rubel, and Diane Rubel, the sum of \$700,000.00 in compensatory damages on Counts I and II of Claimants' Amended Statement of Claim. This sum shall be divided among the Claimants in the same proportion as in the prior Award in Case No. 10-01778, that is:

To the Bosco Family Trust Dated 7/31/96 (50%)	\$350,000.00
To Michael Borowiak (2.33%)	\$ 16,333.33
To Mary Borowiak (2.33%)	\$219,333.34
To Richard Rubel and Diane Rubel Jointly (16.33%)	\$114,333.33

- 2.) Respondents, Robert P. Mather and Roger F. Leibowitz, are jointly and severally liable for and shall pay to Claimants, Annette Bosco, The Bosco Family Trust dtd 7/31/96, by its Trustee Annette Bosco, The Bosco Family Trust dtd 6/25/96, by its Trustee, Annette Bosco, Mary Borowiak, The Mary Borowiak Trust, Michael Borowiak, Richard Rubel, and Diane Rubel, interest on the above-stated sum in #1 at the rate of 10% per annum from and including June 20, 2013 through and including the date this Award is paid in full;

- 3.) Respondent, Richard Landi, is liable for and shall pay to Claimants, Annette Bosco, The Bosco Family Trust dtd 7/31/96, by its Trustee Annette Bosco, The Bosco Family Trust dtd 6/25/96, by its Trustee, Annette Bosco, Mary Borowiak, The Mary Borowiak Trust, Michael Borowiak, Richard Rubel, and Diane Rubel, the sum of \$350,000.00 in compensatory damages on Count IV of Claimants' Amended Statement of Claim. This sum shall be divided among the Claimants in same proportion as in the prior Award in Case No. 10-01778, that is:

To the Bosco Family Trust Dated 7/31/96 (50%)	\$175,000.00
To Michael Borowiak (2.33%)	\$ 8,166.67

To Mary Borowiak (31.33%) \$109,666.66
To Richard Rubel and Diane Rubel Jointly (16.33%) \$ 57,166.67

- 4.) Respondent, Richard Landi, is liable for and shall pay to Claimants, Annette Bosco, The Bosco Family Trust dtd 7/31/96, by its Trustee Annette Bosco, The Bosco Family Trust dtd 6/25/96, by its Trustee, Annette Bosco, Mary Borowiak, The Mary Borowiak Trust, Michael Borowiak, Richard Rubel, and Diane Rubel, interest on the above-stated sum in #3 at the rate of 10% per annum from and including June 20, 2013 through and including the date this Award is paid in full;
- 5.) Respondent, RBC Capital Markets, LLC, is ordered to turn over all funds held by it to the Claimants set forth above to be divided among the Claimants in the same proportion set forth in the Award in Case No. 10-01778 per the Stipulated Award entered by this Panel on January 21, 2014;
- 6.) Respondents, Robert P. Mather, Roger F. Leibowitz, and Richard Landi, are jointly and severally liable for and shall pay to Claimants, Annette Bosco, The Bosco Family Trust dtd 7/31/96, by its Trustee Annette Bosco, The Bosco Family Trust dtd 6/25/96, by its Trustee, Annette Bosco, Mary Borowiak, The Mary Borowiak Trust, Michael Borowiak, Richard Rubel, and Diane Rubel, the sum of \$600.00 in costs as reimbursement of the non-refundable portion of the filing fee;
- 7.) No award was made by the Panel against Respondent, Allied Beacon Partners, Inc., in this case in light of the award granted against that Respondent on May 21, 2013, in case number 10-01778; and
- 8.) Any relief not specifically enumerated, including punitive damages, attorneys' fees, and injunctive relief, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution will retain the non-refundable 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.*

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, RBC Capital Markets, LLC and Allied Beacon Partners, Inc. are each assessed the following:

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each hearing 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:

Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: January 17, 2014 1 session	
August 19, 2014 1 session	
Seven (7) Hearing sessions x \$1,200.00	= \$ 8,400.00
Hearing Dates: September 2, 2014 2 sessions	
September 3, 2014 2 sessions	
September 4, 2014 2 sessions	
September 5, 2014 1 session	
<hr/> Total Hearing Session Fees	<hr/> = \$ 10,800.00

The Panel has assessed \$10,800.00 of the hearing session fees jointly and severally to Respondents, Roger F. Leibowitz, Robert P. Mather, and Richard Landi.

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

ARBITRATION PANEL

Theodore W. Wrobleski - Public Arbitrator, Presiding Chair
Mary A. Duffy - Public Arbitrator
Raymond P. Buschmann - 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/ Theodore W. Wrobleski
Theodore W. Wrobleski
Public Arbitrator, Presiding Chair

September 12, 2014
Signature Date

/s/ Mary A. Duffy
Mary A. Duffy
Public Arbitrator

September 11, 2014
Signature Date

/s/ Raymond P. Buschmann
Raymond P. Buschmann
Public Arbitrator

September 11, 2014
Signature Date


September 12, 2014
Date of Service (For FINRA office use only)

ARBITRATION PANEL

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Mary A. Duffy - Public Arbitrator
Raymond P. Buschmann - Public Arbitrator

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Concurring Arbitrators' Signatures:



Theodore W. Wrobleski
Public Arbitrator, Presiding Chair

9/12/2014

Signature Date

Mary A. Duffy
Public Arbitrator

Signature Date

Raymond P. Buschmann
Public Arbitrator

Signature Date

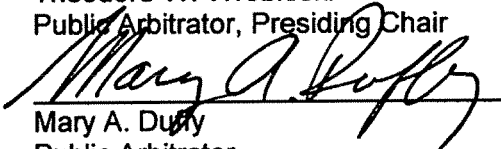
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Mary A. Duffy
Public Arbitrator

Signature Date

09/11/14

Signature Date

Raymond P. Buschmann
Public Arbitrator

Signature Date

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Mary A. Duffy
Public Arbitrator

Signature Date



Raymond P. Buschmann
Public Arbitrator

9/11/14

Signature Date

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