

AWARD
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Richard Estes

vs.

Case Number: 12-02024
Hearing Site: St. Louis, Missouri

Name of Respondent

Oppenheimer & Co., Inc.

NATURE OF THE DISPUTE

Customer vs. Member

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

REPRESENTATION OF PARTIES

Richard Estes ("Claimant") was represented by David B. Helms, Esq., Lewis Rice & Fingersh, LC, St. Louis, Missouri.

Oppenheimer & Co., Inc. ("Respondent") was represented by Christopher H. Tovar, Esq., Oppenheimer & Co., Inc., New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about May 30, 2012. The Submission Agreement of Claimant was signed on or about May 24, 2012.

The Statement of Answer was filed by Respondent on or about August 10, 2012. The Submission Agreement of Respondent was signed on or about September 4, 2012.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; misrepresentations and omissions; violation of Federal Securities Law (Section 10(b) and Rule 10(b)-5); common law fraud; negligent supervision; and respondeat superior. The causes of action related to Claimant's allegations that Respondent and its agent invested over \$400,000.00 of his account on margin, primarily made short-term trades in speculative securities, and invested over 25% of his funds in a single highly volatile stock, Cardiome

Pharma Corporation ("CRME"). Claimant alleged that Respondent placed his investments in unsuitable, speculative and risky securities and misrepresented the nature and the risks of those investments.

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, Claimant requested an award in the amount of:

Actual/Compensatory Damages (in excess of)	\$450,000.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified
Other Non-Monetary Relief	Rescission

At the close of the hearing, Claimant requested an award in the amount of \$736,653.29.

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its 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.

Respondent filed a Motion to Exclude Evidence on or about February 5, 2014. Claimant's Response to Respondent's Motion was filed on or about February 18, 2014. Respondent's Reply to Claimant's Response to Respondent's Motion was filed on or about February 21, 2014. In its Order dated March 12, 2014, following a pre-hearing conference call, the Panel denied Respondent's Motion.

Respondent requested that the Panel expunge all references to this matter from the registration records of unnamed party, Timothy Shocklee (CRD# 2323754), maintained by the Central Registration Depository ("CRD") in its pre-hearing brief filed on October 30, 2013. After consideration of the parties' arguments and the evidence presented, the Panel denies Respondent's request herein.

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.) Respondent, Oppenheimer & Co., Inc., is liable for and shall pay to Claimant, Richard Estes, the sum of \$174,600.00 in compensatory damages;
- 2.) Respondent, Oppenheimer & Co., Inc., is liable for and shall pay to Claimant, Richard Estes, interest on the above-stated sum at the rate of 6% per annum accruing from thirty (30) days after the date of service of this Award until the Award is paid in full;
- 3.) Respondent, Oppenheimer & Co., Inc., is liable for and shall pay to Claimant, Richard Estes, the sum of \$57,000.00 in attorneys' fees pursuant to MO Statute 409-005.509;
- 4.) Respondent, Oppenheimer & Co., Inc., is liable for and shall pay to Claimant, Richard Estes, the sum of \$300.00 in costs as reimbursement of the non-refundable portion of the filing fee; and
- 5.) Any relief not specifically enumerated, including punitive damages and expungement, 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 = \$ 1,425.00

**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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as a party, Oppenheimer & Co., Inc. is assessed the following:

Member surcharge	= \$	1,700.00
Pre-hearing process fee	= \$	750.00
Hearing process fee	= \$	2,750.00

Adjournment Fees

Adjournments granted during these proceedings:

June 4-7, 2013, adjournment requested jointly by the parties	= \$	1,125.00
October 8-11, 2013, adjournment requested by Respondent	= \$	1,125.00
February 10-14, 2014, adjournment requested jointly by the parties		Waived
Total Adjournment Fees	= \$	2,250.00

The Panel has assessed \$1,125.00 of the adjournment fees to Richard Estes.

The Panel has assessed \$1,125.00 of the adjournment fees to Oppenheimer & Co., Inc.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

February 10-14, 2014, adjournment requested jointly by the parties	Waived
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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 a single arbitrator x \$450.00	= \$	900.00
Pre-hearing conferences: January 16, 2014	1 session	
May 19, 2014	1 session	
Five (5) Pre-hearing sessions with Panel x \$1,125.00	= \$	5,625.00
Pre-hearing conferences: November 9, 2012	1 session	
September 17, 2013	1 session	
February 6, 2014	1 session	
March 10, 2014	1 session	
April 1, 2014	1 session	
Thirty Nine (39) Hearing sessions x \$1,125.00	= \$	43,875.00
Hearing Dates: November 19, 2013	2 sessions	

November 20, 2013	2 sessions
November 21, 2013	2 sessions
November 22, 2013	2 sessions
March 24, 2014	2 sessions
March 25, 2014	2 sessions
March 26, 2014	2 sessions
March 27, 2014	2 sessions
March 28, 2014	2 sessions
May 5, 2014	2 sessions
May 6, 2014	2 sessions
May 7, 2014	2 sessions
May 8, 2014	2 sessions
May 9, 2014	1 session
June 9, 2014	2 sessions
June 10, 2014	2 sessions
June 11, 2014	2 sessions
June 12, 2014	2 sessions
June 13, 2014	2 sessions
June 18, 2014	2 sessions

Total Hearing Session Fees = \$ 50,400.00

The Panel has assessed \$50,400.00 of the hearing session fees to Oppenheimer & Co., Inc.

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

ARBITRATION PANEL

Keith E. Mattern - Public Arbitrator, Presiding Chair
Leah M. Murray - Public Arbitrator
Gerald Cohen - 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/ Keith E. Mattern
Keith E. Mattern
Public Arbitrator, Presiding Chair

June 23, 2014
Signature Date

/s/ Leah M. Murray
Leah M. Murray
Public Arbitrator

June 23, 2014
Signature Date

/s/ Gerald Cohen
Gerald Cohen
Public Arbitrator

June 24, 2014
Signature Date


June 24, 2014
Date of Service (For FINRA office use only)

ARBITRATION PANEL

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Keith E. Mattern
Public Arbitrator, Presiding Chair

6-23-14
Signature Date

Leah M. Murray
Public Arbitrator

Signature Date

Gerald Cohen
Public Arbitrator

Signature Date

Date of Service (For FINRA office use only)

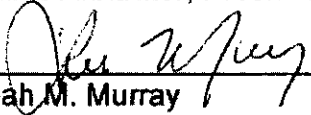
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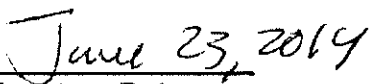
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Leah M. Murray
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Gerald Cohen
Public Arbitrator

Signature Date



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Concurring Arbitrators' Signatures:

Keith E. Mattern
Public Arbitrator, Presiding Chair

Signature Date

Leah M. Murray
Public Arbitrator

Signature Date



Gerald Cohen
Public Arbitrator

June 24 2014

Signature Date

Date of Service (For FINRA office use only)