

AWARD
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

LNR Investments LP,
Bevrose Investments LP,
Emmrose Investments LP, and
Penrose Investments LP

vs.

Case Number: 12-01306
Hearing Site: Dallas, Texas

Name of Respondent

Oppenheimer & Co., Inc.

NATURE OF THE DISPUTE

Customers vs. Member

The case proceeded under the Optional All Public Panel rule/ All Public Panel.

REPRESENTATION OF PARTIES

LNR Investments LP ("LNR"), Bevrose Investments LP ("Bevrose"), Emmrose Investments LP ("Emmrose"), and Penrose Investments LP ("Penrose"), hereinafter collectively referred to as "Claimants," were represented by Richard A. Lewins, Esq., LewinsLaw, Dallas, Texas.

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 April 13, 2012. The Submission Agreement of Claimants was signed on or about April 3, 2012, by Lawrence Rosenbloom, Managing Partner for LNR, Bevrose, Emmrose, and Penrose.

The Statement of Answer was filed by Respondent on or about June 11, 2012. The Amended Statement of Answer was filed by Respondent on or about June 12, 2012. The Submission Agreement of Respondent was signed on or about June 11, 2012, by John T. McGuire, Deputy General Counsel.

Respondent filed a Pre-Hearing Arbitration Brief and Motion for a Directed Verdict on or about April 19, 2013. Claimant filed a Response to Respondent's Motion on or about April 26, 2013. Respondent filed a Reply to Claimant's Response to Respondent's Motion on or about April 29, 2013.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability and breach of duty. The causes of action related to Claimants' allegation that their broker, while at a firm prior to Respondent, recommended an investment strategy, including various unspecified equity funds and hedge funds, and asset allocations that were not appropriate for Claimants' investment objectives. Claimants further asserted that Mr. Rosenbloom was advised inappropriately to go on margin to pay a tax liability as well as for living expenses.

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

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$1,000,000.00 (in excess of)
Exemplary/Punitive Damages	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

At the close of the hearing, Claimants requested actual/compensatory damages in the amount of \$2,800,000.00.

Respondent requested that the claims asserted against it be dismissed in their entirety, that it be awarded its costs and expenses, other just and equitable relief, and that the registration records of non-parties Mark Gardner, Brian Sayer (sic), and Michael Charne, maintained by the Central Registration Depository be expunged of all references to this matter.

OTHER ISSUES CONSIDERED & DECIDED

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

After oral argument, the Panel deferred decision on Respondent's Motion for a Directed Verdict in its Order on or about June 3, 2013. The Panel denied Respondent's Motion for Directed Verdict on the record at the hearing.

On the record at the hearing, Respondent requested that the registration records of non-parties Sean Lewis ("Lewis"), Jason Tucker ("Tucker"), and Brian Sayers ("Sayers"), maintained by the Central Registration Depository be expunged of all references to this matter.

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 in-person recorded 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 Claimants, LNR Investments LP, Bevrose Investments LP, Emmrose Investments LP, and Penrose Investments LP, the sum of \$75,000.00 in attorneys' fees pursuant to statute;
- 2.) The Panel recommends the expungement of all references to the above-captioned arbitration from the registration records of Jason Tucker, Brian Sayers, and Sean Lewis maintained by the Central Registration Depository, with the understanding that pursuant to Notice to Members 04-16, Jason Tucker (CRD #2476599), Brian Sayers (CRD #1137566), and Sean Lewis (CRD #2325030) must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 12805, the Panel has made the following Rule 2080 affirmative finding of fact:

The claim, allegation, or information is false.

The Panel has made the above Rule 2080 finding based on the following reasons:

The Panel found that the allegations were false as to the cause of losses. Losses were due to the market downturn. Investment allocations comported with Claimants' wishes. The Panel did not find any evidence of breach of fiduciary duty as to Lewis, Tucker, or Sayers. The Panel considered Claimants' testimony as to satisfaction with the services of Lewis and Tucker.

- 3.) Oppenheimer & Co., Inc.'s requests for expungement on behalf of non-parties Mark Gardner (CRD #832102) and Michael Charne (CRD #5492210) are denied and dismissed with prejudice;
- 4.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 5.) Any relief not specifically enumerated, including punitive damages, is hereby denied and dismissed 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 person at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent Oppenheimer & Co., Inc., is assessed the following:

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

Adjournment Fees

Adjournment granted during these proceedings:

April 30, 2013, adjournment requested by Respondent	= \$ 1,200.00
Total Adjournment Fees	= \$ 1,200.00

The Panel has assessed \$1,200.00 of the adjournment fees to Oppenheimer & Co., Inc.

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:

Four (4) Pre-hearing sessions with Panel x \$1,200.00	= \$ 4,800.00
Pre-hearing conferences:	
September 18, 2012	1 session
April 10, 2013	1 session
April 24, 2013	1 session
May 29, 2013	1 session
Fourteen (14) Hearing sessions x \$1,200.00	= \$ 16,800.00
Hearing Dates:	
June 24, 2013	2 sessions
June 25, 2013	2 sessions
June 26, 2013	3 sessions
June 27, 2013	3 sessions
June 28, 2013	2 sessions
July 5, 2013	2 sessions
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Total Hearing Session Fees	= \$ 21,600.00

The Panel has assessed \$10,800.00 of the hearing session fees jointly and severally to LNR Investments LP, Bevrose Investments LP, Emmrose Investments LP, and Penrose Investments LP.

The Panel has assessed \$10,800.00 of the hearing session fees to Oppenheimer & Co., Inc.

ARBITRATION PANEL

Harry J. Saginaw, J.D. - Public Arbitrator, Presiding Chair
Dineo Coleman Gary - Public Arbitrator
James Douglas Haigh - 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/ Harry J. Saginaw, J.D.
Harry J. Saginaw, J.D.
Public Arbitrator, Presiding Chair

07/25/13
Signature Date

/s/ Dineo Coleman Gary
Dineo Coleman Gary
Public Arbitrator

07/25/13
Signature Date

/s/ James Douglas Haigh
James Douglas Haigh
Public Arbitrator

07/25/13
Signature Date

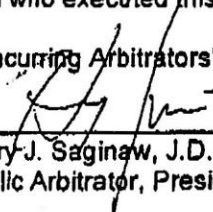
07/25/13
Date of Service (For FINRA office use only)

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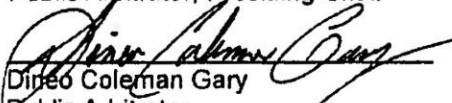
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Concurring Arbitrators' Signatures:

Harry J. Saginaw, J.D.
Public Arbitrator, Presiding Chair

Signature Date


Dineo Coleman Gary
Public Arbitrator

July 25, 2013
Signature Date

James Douglas Haigh
Public Arbitrator

Signature Date

Date of Service (For FINRA office use only)

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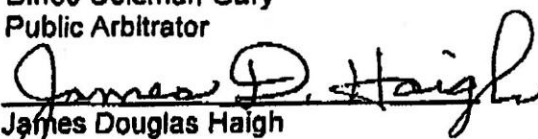
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