

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Name of Claimant

Case Number: 10-01192

**Andrew and Blenda Wright as Trustees of
the Wright Family Living Trust**

Name of Respondents

Hearing Site: Los Angeles, California

**John Marshall
Rollance Verkennis
Lincoln Financial Advisors Corporation**

Nature of Dispute: Customer vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Claimant, Andrew and Blenda Wright as Trustees of the Wright Family Living Trust, hereinafter referred to as "Claimant": Robert C. Rosen, Esq. and Kirsten Anderson, Esq., Rosen & Associates, P.C., Los Angeles, California.

Respondents, Lincoln Financial Advisors Corporation ("Lincoln Financial"), John Marshall ("Marshall"), and Rollance Verkennis ("Verkennis"), hereinafter collectively referred to as "Respondents": Joseph C. Campo, Esq., Lewis, Brisbois, Bisgaard & Smith LLP, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: March 11, 2010

**Andrew and Blenda Wright signed the Submission Agreement on behalf of Claimant:
March 10, 2010**

Statement of Answer filed by Respondents on or about: May 7, 2010

Respondent Lincoln Financial signed the Submission Agreement: May 24, 2010

Respondent Marshall signed the Submission Agreement: May 21, 2010

Respondent Verkennis signed the Submission Agreement: June 1, 2010

CASE SUMMARY

Claimant asserted the following causes of action: 1) negligent misrepresentation; 2) fraud and intentional misrepresentation and/or omissions; 3) failure to supervise; 4) breach of fiduciary duty; 5) unsuitable transactions; 6) unauthorized transactions; 7) elder abuse; and 8) breach of contract. The causes of action relate to investments in the Mount Yale Large Cap Growth Fund; the Mount Yale Large Cap Value Qualified Fund; the Mount Yale Mid Cap Growth Qualified Fund; the Mount Yale Small Cap Qualified Fund; Johnston Asset Management International Equity Fund; Kinetics Advisers Institutional Partners; and the Rye Select Broad Market Fund, a "feeder fund" for a fund managed by Bernard L. Madoff Investment Services, LLC.

Unless specifically admitted in their Statement of 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:

1. Compensatory damages of at least \$1,500,000.00;
2. Disgorgement of all commissions and advisory fees;
3. Reimbursement of all surrender, penalty, and other fees and costs associated with the purchase and sale of unsuitable and/or unauthorized securities;
4. Interest on all damages;
5. Exemplary and punitive damages in an amount sufficient to deter Respondents and others from engaging in similar conduct;
6. Attorneys' fees and costs; and
7. Such other and further relief as the Panel deems just and proper.

In the Statement of Answer, Respondents requested:

1. That the Claim be dismissed forthwith;
2. That Claimant take nothing from Respondents by reason of their Claim;
3. The Costs of suit herein; and
4. Such other and further relief as this Panel may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

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. Respondents are jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of \$1,170,500.00.
2. Respondents are jointly and severally liable for and shall pay to Claimant simple interest at the rate of 10% per annum on the amount of \$1,170,500.00 from the date of the award until the award is paid in full.
3. Respondent Lincoln Financial is solely liable for and shall pay to Claimant compensatory damages in the amount of \$590,000.00.
4. Respondent Lincoln Financial is solely liable for and shall pay to Claimant simple interest at the rate of 10% per annum on the amount of \$590,000.00 from the date of the award until the award is paid in full.
5. Respondent Lincoln Financial is solely liable for and shall pay to Claimant \$600.00 to reimburse Claimant for the non-refundable portion of Claimant's initial claim filing fee.
6. Claimant's request for attorneys' fees is denied.
7. 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
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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 firm that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as a party, Lincoln Financial Advisors Corporation is 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 session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s) that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel @ \$1,200.00/session	= \$	1,200.00
Pre-hearing conference: August 31, 2010 1 session		

Eighteen (18) Hearing sessions @ \$1,200.00/session	= \$	21,600.00
Hearing Dates:		
February 14, 2011	2 sessions	
February 15, 2011	2 sessions	
February 16, 2011	2 sessions	
February 17, 2011	2 sessions	
February 18, 2011	2 sessions	
April 13, 2011	2 sessions	
April 14, 2011	2 sessions	
April 15, 2011	3 sessions	
April 18, 2011	1 session	

Total Hearing Session Fees	= \$	22,800.00
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The Panel has assessed \$22,800.00 of the hearing session fees solely to Respondent Lincoln Financial.

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

ARBITRATION PANEL

Alan Stamm	-	Public Arbitrator, Presiding Chairperson
Thomas W. Gregory	-	Public Arbitrator
Katharine Reed Coleman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Alan Stamm
Alan Stamm
Public Arbitrator, Presiding Chairperson

April 27, 2011
Signature Date

Thomas W. Gregory
Public Arbitrator

Signature Date

Katharine Reed Coleman
Non-Public Arbitrator

Signature Date

04-27-2011
Date of Service (For FINRA Dispute Resolution use only)

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Thomas W. Gregory	-	Public Arbitrator
Katharine Reed Coleman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Alan Stamm
Public Arbitrator, Presiding Chairperson

Signature Date


Thomas W. Gregory
Public Arbitrator

APRIL 27, 2011
Signature Date

Katharine Reed Coleman
Non-Public Arbitrator

Signature Date

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Concurring Arbitrators' Signatures

Alan Stamm
Public Arbitrator, Presiding Chairperson

Signature Date

Thomas W. Gregory
Public Arbitrator

Signature Date

Katharine Reed Coleman

Katharine Reed Coleman
Non-Public Arbitrator

4/27/11

Signature Date

04-27-11

Date of Service (For FINRA Dispute Resolution use only)