

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

Amanda Lenvin and David Lenvin, Co-Executors
of the Estate of Michael William Lenvin

Case Number: 14-00982

vs.

Respondent

Royal Alliance Associates, Inc.

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers vs. Member

This case was decided by a majority-public panel.

REPRESENTATION OF PARTIES

For Claimants Amanda Lenvin and David Lenvin, Co-Executors of the Estate of Michael William Lenvin, hereinafter collectively referred to as "Claimants": Jon C. Furgison, Esq., Furgison Law Group, PC, Hermosa Beach, California.

For Respondent Royal Alliance Associates, Inc. ("Respondent"): Gail E. Cohen, Esq., and Misty A. Murray, Esq., Hinshaw & Culbertson, LLP, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: March 28, 2014.

Claimants signed the Submission Agreement: March 28, 2014.

Statement of Answer filed by Respondent on or about: June 26, 2014.

Respondent signed the Submission Agreement: July 9, 2014.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty, fraud by misrepresentations and omissions, failure to supervise, unfair and deceptive trade practices, and violation of state and federal securities laws. The causes of action relate to Respondent's alleged recommendation that Michael William Lenvin surrender his Variable Universal Life ("VUL") policy issued by Provident Mutual.

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, Claimants requested:

1. Judgment be entered in favor of Claimants and against Respondent;
2. That Claimants be awarded compensatory damages in an amount to be proven at trial, plus interest at the legal rate;
3. Any other and further equitable relief deemed necessary, including, without limitation, rescission, restitution, disgorgement of all commissions, fees and benefits received by Respondent;
4. Exemplary damages in an amount sufficient to punish and make an example of Respondent, and to deter similar conduct in the future;
5. That Claimants be awarded their attorneys' fees and costs to the extent permitted by law; and
6. Such other relief as the Panel deems appropriate.

Respondent stated that Claimants are not entitled to any of the recovery they seek.

At the close of the hearing, Claimants requested costs of \$14,222.55.

OTHER ISSUES CONSIDERED AND DECIDED

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

The Panel finds that, pursuant to Claimants' submission agreement, the sole Respondent in this matter is Respondent Royal Alliance Associates, Inc.

During the recorded evidentiary hearing, after the conclusion of Claimants' case-in-chief, Respondent orally moved to dismiss the case. The Panel denied the motion to dismiss finding Claimants had made out a prima facie case against Respondent.

After the conclusion of the evidentiary hearing, on December 14, 2014, Claimants sent FINRA Dispute Resolution an amended damages calculation. On December 15, 2014, the Panel issued an order advising parties that they would not be accepting any post-hearing submissions.

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. Respondent is liable for and shall pay to Claimants \$870,000.00 in compensatory

damages.

2. Respondent is liable for and shall pay to Claimants \$14,222.55 in costs.
3. Any and all relief not specifically addressed herein, including exemplary 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	= \$ 1,250.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Royal Alliance Associates, Inc. is assessed the following:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 2,200.00

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena with one arbitrator @ \$200.00	= \$200.00
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Total Contested Motion for Issuance of Subpoenas Fees	= \$200.00
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The Panel has assessed \$200.00 of the contested motion for issuance of subpoenas fees to Respondent.

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:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00/session	= \$900.00
Pre-hearing conferences: October 10, 2014	1 session
November 3, 2014	1 session

Two (2) Pre-hearing sessions with the Panel @ \$1,000.00/session	= \$2,000.00
Pre-hearing conferences: August 29, 2014	1 session

	November 10, 2014	1 session	
Ten (10) Hearing sessions @ \$1,000.00/session			=\$10,000.00
Hearing Dates:	December 8, 2014	2 sessions	
	December 9, 2014	2 sessions	
	December 10, 2014	2 sessions	
	December 11, 2014	2 sessions	
	December 12, 2014	2 sessions	
<hr/> Total Hearing Session Fees			=\$12,900.00

The Panel has assessed \$12,900.00 of the hearing session fees to Respondent.

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

ARBITRATION PANEL

Edward J. Costello, Jr.	-	Public Arbitrator, Presiding Chairperson
Steven A. Wawra	-	Public Arbitrator
Daniel Su	-	Non-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



Edward J. Costello, Jr.
Public Arbitrator, Presiding Chairperson

1/2/15

Signature Date

Steven A. Wawra
Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

After careful review of evidence and testimonies presented by Claimants and Respondent, my judgment is that there was no breach of fiduciary duty and other charges did not apply to this case.

My main consideration: Due to Mr. Levine's unfortunate financial circumstances, he had to surrender the Variable Universal Life Insurance contract and utilize the cash value of the policy to pay for his living expenses and fund college expenses for his son and daughter.

Despite numerous notifications from Mr. Levine's financial advisors, Mr. Levine did not sign the term life insurance application to replace his VUL policy.

Daniel Su
Non-Public Arbitrator

Signature Date

January 9, 2015

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

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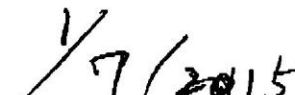
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Daniel Su
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