

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

Michael E. Hirsch
Robyn J. Hirsch
Hirsch, LLP

Case Number: 10-03244

vs.

Respondents

Marc L. Scudillo
Securities America, Inc.
Ameriprise Financial Services, Inc.

Hearing Site: Philadelphia, Pennsylvania

Nature of the Dispute: Customers vs. Associated Person and Members

This case was decided by a majority-public panel.

REPRESENTATION OF PARTIES

For Claimants Michael E. Hirsch ("M. Hirsch"), Robyn J. Hirsch ("R. Hirsch"), and Hirsch, LLP, hereinafter collectively referred to as ("Claimants"): Mark D. Schwartz, Esq., Attorney At Law, Bryn Mawr, Pennsylvania.

For Respondents Marc L. Scudillo ("Scudillo"), Securities America, Inc. ("Securities America"), and Ameriprise Financial Services, Inc. ("Ameriprise"), hereinafter collectively referred to as "Respondents": Bruce M. Bettigole, Esq., Sutherland Asbill & Brennan LLP, Washington, District of Columbia.

CASE INFORMATION

Statement of Claim filed on or about: July 14, 2010.

First Amended Statement of Claim filed on or about: September 16, 2010.

Second Amended Statement of Claim filed on or about: January 4, 2011.

Michael E. Hirsch signed the Submission Agreement: July 13, 2010.

Robyn J. Hirsch signed the Submission Agreement: July 13, 2010.

Hirsch, LLP signed the Submission Agreement: July 13, 2010.

Joint Statement of Answer filed by Respondents Scudillo and Securities America on or about: December 17, 2010.

Marc L. Scudillo signed the Submission Agreement: October 20, 2010.

Securities America, Inc. signed the Submission Agreement: October 9, 2010.

Ameriprise Financial Services, Inc. did not submit a Statement of Answer or a Submission Agreement.

CASE SUMMARY

In the First Amended Statement of Claim, Claimants asserted the following causes of action: breach of contract; breach of implied covenant of good faith and fair dealing; fraud, fraudulent misrepresentation and deceit; breach of fiduciary duty and aiding and abetting a breach of fiduciary duty; gross negligence; negligence; failure to supervise; unjust enrichment; violation of applicable New Jersey Securities laws and regulations; violation of applicable federal securities laws and regulations; and conspiracy. The causes of action relate to Medical Capital Holdings, Inc. Promissory Notes.

In the Second Amended Statement of Claim, Claimants removed Ameriprise Financial Services, Inc. as a Respondent and added the following causes of action: professional malpractice and violation of the New Jersey Consumer Fraud Act.

Unless specifically admitted in their Answer, Respondents Scudillo and Securities America denied the allegations made in the First Amended Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the First Amended Statement of Claim and the Second Amended Statement of Claim, Claimants requested compensatory damages in the amount of \$550,000.00; the Panel declare that Respondents violated Claimants' rights under common law and equity; the Panel declare that Respondents violated Claimants' rights under applicable New Jersey statutory law and regulations; the Panel declare that Respondents violated Claimants' rights under applicable federal securities laws and regulations; award Claimants all funds lost as a result of Respondents unlawful conduct including, all funds invested, lost interest, loss of investment opportunity, consequential damages, lost profits, liquidated damages, special damages, interest, costs, and attorneys' fees; punitive damages; and such other relief as the Panel deems just and proper, including, if necessary, enjoining Respondents from liquidating assets or spending same until Claimants have been fully compensated for their damages, costs, and attorneys' fees.

Respondents Scudillo and Securities America requested dismissal of the First Amended Statement of Claim in its entirety, attorneys' fees, costs, and forum fees.

OTHER ISSUES CONSIDERED AND DECIDED

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

Claimants filed a Statement of Claim on or about July 14, 2010. Per the Claimants' request, the First Amended Statement of Claim was served in lieu of the Statement of Claim.

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, and post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Securities America is liable for and shall pay to Claimants M. Hirsch and R. Hirsch compensatory damages in the amount of \$252,801.00.
2. Respondent Securities America is liable for and shall pay to M. Hirsch and R. Hirsch interest on the \$252,801.00 at the rate of 3.5% per annum from May 1, 2010 until the award is paid in full.
3. Respondent Securities America is liable for and shall pay to Claimant Hirsch LLP compensatory damages in the amount of \$299,892.00.
4. Respondent Securities America is liable for and shall pay to Hirsch, LLP interest on the \$299,892.00 at the rate of 3.5% per annum from the August 1, 2010 until the award is paid in full.
5. 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	= \$ 1,575.00
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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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as parties, Securities America, Inc. and Ameriprise Financial Services, Inc. are assessed the following:

Securities America, Inc.

Member Surcharge	= \$ 2,250.00
Pre-Hearing Processing Fee	= \$ 750.00
Hearing Processing Fee	= \$ 4,000.00

Ameriprise Financial Services, Inc.

Member Surcharge	= \$ 2,250.00
Pre-Hearing Processing Fee	= \$ 750.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

July 8-11, 2014, adjournment by parties = \$ 1,200.00

The Panel assessed the \$1,200.00 adjournment fees to Securities America.

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:

July 8-11, 2014, adjournment by parties = \$ 300.00

The Panel assessed the \$300.00 three-day cancellation fees to Securities America.

Discovery-Related Motion Fees

Fees apply for each decision rendered on a discovery-related motion.

Three (3) Decisions on discovery-related motion on the papers
with (1) one arbitrator @ \$200.00 = \$ 600.00

Claimants submitted two (2) discovery-related motions
Respondents Scudillo and Securities America submitted one (1)
discovery-related motion

Total Discovery-Related Motion Fees = \$ 600.00

The Panel has assessed the \$600.00 discovery-related motion fees to Respondent Securities America.

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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: September 10, 2014 1 session

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$ 1,200.00
Pre-hearing conference: February 11, 2011 1 session

Fifteen (15) Hearing sessions @ \$1,200.00 = \$18,000.00

Hearing Dates:	December 15, 2014	2 sessions
	December 16, 2014	2 sessions
	December 17, 2014	2 sessions
	December 18, 2014	1 session
	March 30, 2015	2 sessions
	March 31, 2015	2 sessions
	April 1, 2015	1 session
	April 2, 2015	2 sessions
	May 26, 2015	1 session

Total Hearing Session Fees = \$19,650.00

The Panel has assessed the \$19,650.00 hearing session fees to Respondent Securities America.

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

ARBITRATION PANEL

Edward Blumstein	-	Public Arbitrator, Presiding Chairperson
Elliot B. Platt	-	Public Arbitrator
Glenn J. Hansen	-	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 Blumstein
Public Arbitrator, Presiding Chairperson

7/14/15

Signature Date

Elliot B. Platt
Public Arbitrator

Signature Date

Glenn J. Hansen
Non-Public Arbitrator

Signature Date

July 16, 2015

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

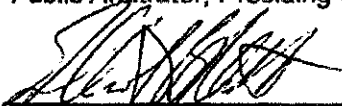
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