

RECEIVED

JAN 11 2011

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant

Willard J. Friedman on behalf of the
Willard J. Friedman IRA and the
Willard J. Friedman, SEP IRA

Case Number: 10-01639

Name of the Respondent

Brewer Financial Services, LLP

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Willard J. Friedman on behalf of the Willard J. Friedman IRA and the Willard J. Friedman, SEP IRA, hereinafter referred to as "Claimant": Gregory S. Tendrich, Esq., Gregory Tendrich, P.A., Boca Raton, Florida.

For Brewer Financial Services, LLC, hereinafter referred to as "Respondent": Adam Erickson, President, Brewer Financial Services, LLC, Chicago, Illinois.

CASE INFORMATION

Claimant filed his Statement of Claim on or about: April 5, 2010.

Claimant signed his Submission Agreement on: March 8, 2010.

Respondent filed its Statement of Answer on or about: July 21, 2010.

Respondent signed its Submission Agreement on: July 19, 2010.

Claimant filed a Motion to Compel and for Sanctions on: November 18, 2010.

CASE SUMMARY

In his Statement of Claim, as amended ore tenus at the evidentiary hearing, Claimant asserted the following causes of action: (1) violation of common law fraud; (2) breach of fiduciary duty; (3) negligent failure to supervise; and, (4) negligence. The causes of action relate to Respondent's purchase of the following equities in Claimant's IRA and SEP IRA retirement accounts: (1) UFP Technologies, Inc.; (2) WSI Industries, Inc.; (3) Renesola Ltd. Spns Adr; (4) Alcoa; and, (5) Sirius Satellite Radio, Inc.

Unless specifically admitted in its Answer, Respondent denied any and all allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, as amended ore tenus at the evidentiary hearing, Claimant requested: (1) actual damages in an amount no less than \$75,000.00; (2) interest; (3) costs, expenses and disbursements, including expert witness fees; (4) punitive damages in the amount of \$75,000.00; and, (5) such other relief as the Arbitrator deemed just and proper.

At the close of Claimant's case-in-chief, Claimant requested actual damages in the amount of \$87,448.30 and amended its claim to add the above request for punitive damages in the amount of \$75,000.00.

In its Statement of Answer, Respondent requested: (1) a judgment be entered in its favor; (2) costs; and, (3) attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

Respondent did not appear at the evidentiary hearing. The Arbitrator determined that notice of the hearing was duly given to the Respondent, and that Respondent is required to submit to arbitration pursuant to the Code of Arbitration Procedure (the "Code") and is bound by the determination of the Arbitrator on all issues submitted.

At the close of Claimant's case-in-chief, Claimant made an ore tenus Motion for Leave to Amend the Statement of Claim to add a request for punitive damages in the amount of \$75,000.00. Claimant asserted that the evidentiary record supported the added claim for punitive damages. The Arbitrator granted Claimant's Motion for Leave to Amend the Statement of Claim.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Finding on Claimant's claim of common law fraud: Respondent did misrepresent to Claimant statements which were false and relied upon by Claimant.

Finding on Claimant's claim of breach of fiduciary duty: Duty existed and was breached by making false statements on the investment application regarding Claimant's net worth and by making false statements about the proprietary information of the investments to Claimant through Respondent's employee. Lack of supervision contributed to the breach.

Finding on Claimant's claim of negligent failure to supervise: Respondent, if it had acted prudently, would have learned of its employee's wrongful acts.

Finding on Claimant's claim of negligence: Respondent failed to exercise authority over its employee.

Respondent is liable and shall pay to Claimant actual damages in the amount of \$87,448.30.

Claimant's Motion for Sanctions is granted. Respondent is liable and shall pay to Claimant monetary sanctions relating to his Motion to Compel in the amount of \$1,125.00.

Evidence supports the finding that Respondent's employee managing Claimant's accounts acted in a wanton manner and with a willful disregard toward Claimant's interests, including making false statements relied upon due to trust which was placed in Respondent's employee. In accordance with Florida Statute 768.72(2), the Arbitrator has determined that the employee engaged in intentional misconduct in preparing documents for claimant's account to show a false profile of the Claimant, by writing Claimant's name on account documents, by providing false information about the status of Claimant's account and its viability associated with another firm, through buying securities products contrary to Claimant's desire and goals, by acting as a broker while not duly licensed to do so, and by knowingly providing the Claimant with false information as to the status of the accounts. Further, the Arbitrator has determined that Respondent committed gross negligence under Florida Statute 768.22 (3)(c) by not properly supervising its employee in his handling of Claimant's accounts resulting in the employee committing the foregoing wrongful acts. As such, Respondent is liable and shall pay to Claimant punitive damages in the amount of \$75,000.00.

Respondent is liable and shall pay to Claimant interest in the amount of \$31,824.77, which continues to accrue from the date of the Award until paid in full at the legal interest rate as provided by the state of Florida.

In accordance with Florida Statute 517.211, Claimant is entitled to reasonable attorneys' fees, the amount for which may be determined by a court of competent jurisdiction.

Respondent is liable and shall pay to Claimant costs in the amount of \$2,478.62.

Respondent is liable and shall reimburse to Claimant the sum of \$300.00 representing the non-refundable portion of the claim filing fee.

Any and all relief not specifically addressed herein 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 = \$1,425.00

*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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent Brewer Financial Services, LLP is assessed the following:

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

Hearing Session Fees and Assessments

The Arbitrator 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 25, 2010 1 session
December 9, 2010 1 session

One (1) Hearing session with a single arbitrator @ \$450.00/session = \$ 450.00
Hearing Date: December 14, 2010 1 session
Total Hearing Session Fees = \$1,350.00

The Arbitrator has assessed the total hearing session fees in the amount of \$1,350.00 to Respondent.

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

ARBITRATION PANEL

Roy B. Gonas

- Sole Public Arbitrator



Roy B. Gonas
Sole Public Arbitrator



Signature/Date

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