

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Estate of John Montfort

Case Number: 12-01987

vs.

Respondents
C.L. King & Associates, Inc.
Robert Albert Benton
Peter Edward Bulger
Candace King Weir

Hearing Site: New York, New York

vs.

Third-Party Respondents
Jacqueline Montfort
Ranan Wichler

Nature of the Dispute: Customer vs. Member and Associated Persons vs. Customers
This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimant Estate of John Montfort: John G. Rich, Esq., Ross B. Intelisano, Esq., and Jessica A. Murzyn, Esq., Rich, Intelisano & Katz, LLP, New York, New York.

For Respondents C.L. King & Associates, Inc. ("C.L. King"), Robert Albert Benton ("Benton"), Peter Edward Bulger ("Bulger"), and Candace King Weir ("Weir"), hereinafter collectively referred to as "Respondents": Matthew Farley, Esq., Drinker Biddle & Reath LLP, New York, New York and Christopher F. Robertson, Esq., Seyfarth Shaw LLP, Boston, Massachusetts.

Respondent Jacqueline Montfort did not enter an appearance in this matter.

Respondent Ranan Wichler did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: May 30, 2012.
Answer to Counterclaim filed on or about: August 13, 2012.
Amended Statement of Claim filed on or about: January 31, 2013.

**Answer to Respondents' Answer to Amended Statement of Claim, Counterclaim and Third-Party Claim filed by Claimant on or about: May 9, 2013.
Estate of John Montfort signed the Submission Agreement: May 29, 2012.**

Statement of Answer and Counterclaim filed by Respondent C.L. King on or about: July 23, 2012.

**Statement of Answer to Amended Statement of Claim filed by Respondents, and Counterclaim and Third-Party Claim filed by C.L. King on or about: March 28, 2013.
C. L. King & Associates, Inc. signed the Submission Agreement: July 16, 2012.
Robert Albert Benton signed the Submission Agreement: March 28, 2013.
Peter Edward Bulger signed the Submission Agreement: March 29, 2013.
Candace King Weir signed the Submission Agreement: April 3, 2013.**

CASE SUMMARY

Claimant asserted the following causes of action: breach of applicable securities and commodities laws, statutes, rules, regulations and standards of conduct; common law fraud; misrepresentation and material omissions; breach of fiduciary duty; breach of contract; breach of the implied covenant of good faith and fair dealing; unsuitability; aiding and abetting the foregoing; gross negligence; negligence; negligent misrepresentation; tortious interference with business relationships and prospective economic advantage; prima facie tort; failure to supervise; and respondeat superior. The causes of action relate to various securities.

In the Amended Statement of Claim, Claimant asserted the following causes of action: misrepresentation and omissions; breach of fiduciary obligations; unsuitability; negligence; gross negligence; negligent supervision; common law fraud; aiding and abetting liability; civil conspiracy; breach of customer agreement and covenant of good faith and fair dealing; failure to supervise; control person/aiding and abetting liability; and respondeat superior. The causes of action relate to various securities.

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

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

In its Counterclaim, Respondent C.L. King asserted the following cause of action: breach of brokerage account agreement.

Unless specifically admitted in its Answer, Claimant denied the allegations made in the Counterclaim filed by C.L. King and asserted various affirmative defenses.

In its Counterclaim and Third-Party Claim, Respondent C.L. King asserted the following cause of action: breach of brokerage account agreement.

Unless specifically admitted in its Answer, Claimant denied the allegations made in the Counterclaim and Third-Party Claim filed by C.L. King and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amount of \$30,000,000.00; costs and expenses; declaratory relief; and any other and further relief the Panel finds just and equitable.

In the Amended Statement of Claim, Claimant requested compensatory damages in the amount of \$30,000,000.00; reasonable attorneys' fees; accrued interest from the date of loss to the date of the award; post-judgment interest at the applicable rate; costs; expert and witness fees; administrative expenses; declaratory relief; and any other and further relief the Panel finds just and equitable.

Respondent C.L. King requested dismissal of the Statement of Claim with prejudice.

Respondents requested dismissal of the Amended Statement of Claim with prejudice.

In its Counterclaim, Respondent C.L. King requested compensatory damages in the amount of \$5,931,863.09 and interest at the New York state statutory rate from May 15, 2012 through the date of payment.

In its Counterclaim and Third-Party Claim, Respondent C.L. King requested compensatory damages in the amount of \$5,931,863.09 and interest at the rate of 9% per annum under New York Civil Practice Law and Rules, Sections 5001 and 5004, from May 15, 2012 through date of payment.

Claimant requested that C.L. King's Counterclaim be dismissed and denied.

Claimant requested that C.L. King's Counterclaim and Third-Party Claim be dismissed and denied.

At the hearing, Claimant requested compensatory damages in the amount of \$32,622,479.46; pre-judgment interest in the amount of \$11,438,424.75; costs in the amount of \$372,972.65; and attorneys' fees in the amount of \$3,118,570.78.

At the hearing, Respondent C.L. King requested compensatory damages in the amount of \$5,931,863.00 and interest in the amount of \$581,403.00.

OTHER ISSUES CONSIDERED AND DECIDED

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

Third-Party Respondents Jacqueline Monfort and Ranan Wichler are not members or associated persons of FINRA and did not voluntarily submit to arbitration. Therefore, the Panel made no determination with respect to Respondent C. L. King's claims against Third-Party Respondents Jacqueline Monfort and Ranan Wichler.

Per Respondents' correspondence dated April 16, 2014, the parties agreed that the Panel in this case would also be assigned to FINRA Case Number 13-02815. The hearing sessions listed below also relate to FINRA Case Number 13-02815.

Per Claimant's correspondence dated May 3, 2016, the parties agreed that two-thirds of the forum fees would be assessed to FINRA Case Number 12-01987 and one-third to FINRA Case Number 13-02815.

By correspondence dated April 15, 2016 Respondents Benton, Bulger, and Weir filed a Motion for Expungement of their respective CRD records. By correspondence dated April 25, 2016, Claimant objected and Respondents submitted a Reply dated April 27, 2016.

By correspondence dated April 29, 2016, Claimant submitted a letter Motion to introduce into evidence the complaint in a FINRA Disciplinary Proceeding in connection with the individual Respondents' expungement requests. By correspondence dated May 2, 2016, the individual Respondents objected to Claimant's Motion. The Panel determined to deny Claimant's Motion.

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

1. Respondent C.L. King is liable for and shall pay to Claimant compensatory damages in the amount of \$10,000,000.00.
2. Claimant's claims against the individual Respondents are denied in their entirety.
3. Claimant's requests for pre-judgment interest, post-judgment interest, costs, and attorneys' fees are denied.
4. Respondent Benton's request for expungement of his CRD records is denied.
5. Respondent Bulger's request for expungement of his CRD records is denied.
6. Respondent Weir's request for expungement of her CRD records is denied.
7. Respondent C.L. King's Counterclaim is denied in its entirety.
8. Respondents' requests for attorneys' fees are denied.
9. 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	=\$ 1,800.00
Counterclaim Filing Fee	=\$ 3,700.00
Third Party Filing Fee	=\$ 3,700.00

**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 that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as a party, C.L. King & Associates, Inc. is assessed the following:

Member Surcharge	=\$ 3,750.00
Pre-Hearing Processing Fee	=\$ 750.00
Hearing Processing Fee	=\$ 5,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

February 10-13, 19-21, 2014, adjournment by parties	Waived
July 30, 2014, adjournment by parties	Waived
May 11-14, 2015, adjournment by parties	Waived
June 22-25, 2015, adjournment by parties	Waived

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:

February 10-13, 19-21, 2014, adjournment by parties	Waived
May 11-14, 2015, adjournment by parties	Waived

Administrative Fees

Administrative fees are assessed to each separately represented party participating in the Large Case Pilot Program. Accordingly, Claimant and Respondent C.L. King are each assessed a \$1,000.00 administrative fee.

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:

Seven (7) Pre-hearing sessions with Panel @ \$1,200.00 = \$ 8,400.00

Pre-hearing conferences: April 10, 2013 1 session
February 6, 2014 1 session
April 17, 2014 1 session
July 25, 2014 1 session
February 19, 2015 1 session
November 11, 2015 1 session
March 31, 2016 1 session

Eighty-eight (88) Hearing sessions @ \$1,200.00 = \$105,600.00

Hearing Dates: March 3, 2014 2 sessions
March 4, 2014 2 sessions
March 5, 2014 2 sessions
March 6, 2014 2 sessions
March 7, 2014 2 sessions
July 28, 2014 2 sessions
July 29, 2014 2 sessions
July 31, 2014 2 sessions
August 4, 2014 2 sessions
August 5, 2014 2 sessions
August 6, 2014 2 sessions
August 7, 2014 2 sessions
September 29, 2014 2 sessions
September 30, 2014 2 sessions
October 1, 2014 2 sessions
October 2, 2014 2 sessions
October 7, 2014 2 sessions
October 8, 2014 2 sessions
October 9, 2014 2 sessions
October 10, 2014 2 sessions
December 2, 2014 2 sessions
December 3, 2014 2 sessions
December 4, 2014 2 sessions
December 5, 2014 2 sessions
March 9, 2015 2 sessions
March 10, 2015 2 sessions
March 11, 2015 2 sessions
March 12, 2015 2 sessions
March 30, 2015 2 sessions
March 31, 2015 2 sessions
April 1, 2015 2 sessions
April 2, 2015 2 sessions
September 15, 2015 2 sessions
September 16, 2015 2 sessions
September 17, 2015 2 sessions
September 18, 2015 2 sessions
September 28, 2015 2 sessions
September 29, 2015 2 sessions
September 30, 2015 2 sessions

October 1, 2015	2 sessions	
April 5, 2016	2 sessions	
April 6, 2016	2 sessions	
April 7, 2016	3 sessions	
April 8, 2016	1 session	
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Total Hearing Session Fees		=\$114,000.00

The Panel has assessed \$76,000.00 of the hearing session fees to Respondent C.L. King. The \$38,000.00 balance will be assessed in FINRA Case Number 13-02815 per the parties' agreement.

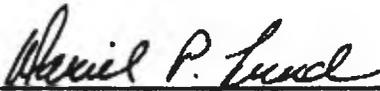
All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Daniel P. Lund	-	Public Arbitrator, Presiding Chairperson
Lucas A. Ferrara	-	Public Arbitrator
Carl J. Disalvatore	-	Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures



Daniel P. Lund
Public Arbitrator, Presiding Chairperson



Signature Date

Lucas A. Ferrara
Public Arbitrator

Signature Date

Carl J. Disalvatore
Public Arbitrator

Signature Date

June 7, 2016
Date of Service (For FINRA Dispute Resolution office use only)

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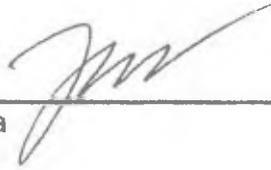
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Daniel P. Lund
Public Arbitrator, Presiding Chairperson

Signature Date

Lucas A. Ferrara
Public Arbitrator

Signature Date



JUNE 3, 2016

Carl J. Disalvatore
Public Arbitrator

Signature Date

June 7, 2016

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

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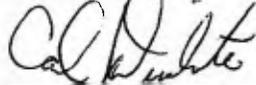
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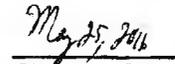
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