

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Nobilis Consulting, LLC

Case Number: 15-02418

vs.

Respondents
COR Clearing LLC

Hearing Site: New York, New York

vs.

Third-Party Respondents
George Buonocore
Juan Reyes

Nature of the Dispute: Customer vs. Member vs. Associated Person and Non-Member

This case was decided by a majority-public panel.

REPRESENTATION OF PARTIES

For Claimant Nobilis Consulting, LLC ("Nobilis") and Third-Party Respondents George Buonocore ("Buonocore"), and Juan Reyes ("Reyes"): Kevin P. Conway, Esq., and Andrea Bonvicino, Esq., Conway & Conway, New York, New York.

For Respondent COR Clearing LLC ("Respondent"): Gayle Jenkins, Esq., and Saul S. Rostamian, Esq., Winston & Strawn LLP, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed on or about: September 14, 2015.

Answer to Counterclaim and Third-Party Claim filed by Nobilis, Buonocore, and Reyes on or about: December 15, 2015.

Nobilis signed the Submission Agreement: September 11, 2015.

Buonocore signed the Submission Agreement: September 11, 2015.

Reyes did not sign the Submission Agreement.

Statement of Answer, Counterclaim, and Third-Party Claim filed by Respondent on or about: November 25, 2015.

Respondent signed the Submission Agreement: November 25, 2015.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, breach of fiduciary duty, negligence, conversion, and failure to supervise. The causes of action relate to funds debited from Claimant's account.

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

In the Counterclaim and Third-Party Claim, Respondent asserted the following causes of action: fraud, intentional misrepresentation, negligent misrepresentation, market manipulation, intentional interference with contractual relations, equitable indemnity, and contractual indemnity.

Unless specifically admitted in the Answer to the Counterclaim and Third-Party Claim, Nobilis, Buonocore, and Reyes denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in excess of \$1,500,000.00, the nullification of a debit of \$2,276,570.39, interest, costs, reasonable attorneys' fees, punitive damages, and such other relief the Panel deems just and fair.

In the Statement of Answer, Respondent requested dismissal of the Statement of Claim in its entirety, compensatory damages of no less than \$4,000,000 on its Counterclaim and Third-Party Claim, that all forum fees be assessed against Nobilis, Buonocore, and Reyes, costs and disbursements, reasonable attorneys' fees, and such other and further relief as the Panel may deem proper.

In their Answer to the Counterclaim and Third-Party Claim, Nobilis, Buonocore, and Reyes requested dismissal of the Counterclaim and Third-Party Claim in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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

On or about March 2, 2016, Buonocore and Reyes filed a Motion to Strike the Third-Party Claim. Respondent filed an Opposition dated March 8, 2016, and Reyes and Buonocore submitted a Reply dated March 9, 2016. After due deliberation the Panel granted the Motion in part as to Reyes by Order dated March 31, 2016.

On or about March 21, 2016 Buonocore and Reyes filed a Motion to Dismiss. Respondent filed an opposition dated March 31, 2016, and Claimant submitted a Reply dated April 5, 2016. By Order dated May 1, 2016, the Panel deferred decision until the final hearing on the merits as to Buonocore's Motion and deemed Reyes' Motion as moot pursuant to their March 31, 2016 Order.

On or about August 18, 2016 Respondent filed a Motion to Dismiss. Nobilis filed an Opposition dated September 30, 2016, and Respondent submitted a Reply dated October 5, 2016. After due deliberation the Panel reserved judgment on the Motion until the final hearing on the merits by Order dated October 7, 2016.

After the conclusion of Claimant's case in chief, Respondent moved to dismiss the case for failure to establish a prima facie case. After due consideration, the Panel denied the motion.

The parties present at the hearing 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. Claimant Nobilis' claim is denied in its entirety.
2. Claimant Nobilis is liable for and shall pay to Respondent compensatory damages in the amount of \$2,236,000.00 plus interest in the amount of 9% per annum from August 24, 2015 until payment.
3. Claimant Nobilis is liable for and shall pay to Respondent attorneys' fees in the amount of \$250,000.00. The Panel awarded attorneys' fees based on the parties' contract and because all parties requested attorneys' fees.
4. Respondent's Third-Party Claim against Buonocore is denied in its entirety.
5. Other than forum fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter.
6. Any and all claims for relief not specifically addressed herein, including punitive damages are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Office of Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$ 2,000.00
Counterclaim Filing Fee	= \$ 3,400.00

**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, COR Clearing, LLC is assessed the following:

Member Surcharge	= \$ 3,025.00
Member Process Fee	= \$ 6,175.00

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

October 16, 2016 postponement by Respondent	= \$ 1,400.00
Total Postponement Fees	= \$ 1,400.00

The Panel has assessed the \$1,400.00 adjournment fees to Respondent.

Discovery-Related Motion Fee

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

One (1) decision on a discovery-related motion on the papers with one (1) arbitrator @ \$200.00/decision	= \$ 200.00
Total Discovery-Related Motion Fees	= \$ 200.00

The Panel has assessed \$200.00 of the discovery-related motion fees to Respondent.

Contested Motion for Issuance of Subpoena Fee

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 (1) arbitrator @ \$250.00	= \$ 250.00
Total Contested Motion for Issuance of Subpoena Fee	= \$ 250.00

The Panel has assessed the \$250.00 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 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/session	= \$ 450.00
Pre-hearing conference: September 13, 2016	1 session
Four (4) pre-hearing sessions with the Panel @ \$ 1,400.00/session	= \$ 5,600.00
Pre-hearing conferences: February 17, 2016	1 session

	March 1, 2016	1 session	
	March 30, 2016	1 session	
	April 29, 2016	1 session	
Eleven (11) hearing session @ \$ 1,400.00/session			= \$ 15,400.00
Hearing Dates:	October 18, 2016	2 sessions	
	October 19, 2016	2 sessions	
	October 20, 2016	1 session	
	March 23, 2017	2 sessions	
	March 27, 2017	2 sessions	
	April 18, 2017	2 sessions	
<hr/> Total Hearing Session Fees			= \$ 21,450.00

The Panel has assessed the \$21,450.00 hearing session fees to Respondent.

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

ARBITRATION PANEL

Joseph I. Liebman	-	Public Arbitrator, Presiding Chairperson
Emily Diamond	-	Public Arbitrator
Deborah A. Shapiro	-	Non-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



Joseph I. Liebman
Public Arbitrator, Presiding Chairperson

5/15/2017

Signature/Date

Emily Diamond
Public Arbitrator

Signature Date

Deborah A. Shapiro
Non-Public Arbitrator

Signature Date

May 16, 2017

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

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Signature Date

Emily Diamond

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Public Arbitrator

5/15/17

Signature Date

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