

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimants

Gary Masi
Edward Fairclough
Fairclough Sailmakers, Inc.

Case Number: 16-00652

vs.

Respondents

Tradition Asiel Securities Inc.
Longship Alternative Asset Management
North South Capital, LLC
Catherine Ann Sheridan

Hearing Site: Hartford, Connecticut

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

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Gary Masi ("Masi"), Edward Fairclough ("Fairclough") and Fairclough Sailmakers, Inc. ("Fairclough Sailmakers"), hereinafter collectively referred to as "Claimants": Adam J. Weinstein, Esq., Gana LLP, New York, New York.

For Respondent Tradition Asiel Securities Inc. ("Tradition"): Donald N. Cohen, Esq., Greenberg Traurig, LLP, White Plains, New York.

For Respondent Longship Alternative Asset Management ("Longship"): Martin P. Unger, Esq., Wexler Burkhart Hirschberg & Unger, LLP, Garden City, New York.

For Respondent North South Capital, LLC ("North South"): Joseph C. Merschman, Esq., Wiggin and Dana LLP, New Haven, Connecticut.

For Respondent Catherine Ann Sheridan ("Sheridan"): Nuala E. Dronney, Esq., Robinson & Cole, LLP, Hartford, Connecticut.

CASE INFORMATION

Statement of Claim filed on or about: March 7, 2016.

Amended Statement of Claim filed on or about: April 25, 2016.

Masi signed the Submission Agreement: March 7, 2016.

Fairclough signed the Submission Agreement: March 7, 2016.

Fairclough Sailmakers signed the Submission Agreement: March 7, 2016.

Statement of Answer filed by Respondent Tradition on or about: May 16, 2016.
Tradition signed the Submission Agreement: May 17, 2016.

Statement of Answer filed by Respondent Longship on or about: May 16, 2016.
Amended Statement of Answer filed by Respondent Longship on or about: November 3, 2016.

Longship signed the Submission Agreement: August 25, 2016.

Statement of Answer filed by Respondent North South on or about: April 29, 2016.
North South signed the Submission Agreement: April 29, 2016.

Statement of Answer filed by Respondent Sheridan on or about June 16, 2016.
Sheridan signed the Submission Agreement: August 23, 2016.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: failure to supervise; negligence; fraudulent misrepresentation and omissions; fraud; violation of federal and Connecticut state securities laws and FINRA rules; unsuitability; sale of unregistered investments; negligent or intentional misstatements in U5 filings; failure to warn clients; failure to warn regulators; respondeat superior; overconcentration; and "control person" liability. The causes of action relate to various securities.

Claimant Masi asserted the above causes of action in the Amended Statement of Claim.

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

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

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

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

RELIEF REQUESTED

In the Statement of Claim, Claimants requested compensatory damages in the amount of \$1,400,000.00; interest at the statutory rate; punitive damages; attorneys' fees; expert fees; forum fees; and such other and further relief as this Panel deems just and proper.

In the Amended Statement of Claim, Claimant Masi requested compensatory damages in the amount of \$700,000.00; Interest at the statutory rate; punitive damages; attorneys' fees; expert fees; forum fees; and such other and further relief as this Panel deems just and proper.

In its Statement of Answer Respondent Tradition requested dismissal of the Amended Statement of Claim in its entirety; fees and costs; attorneys' fees; and such other and further relief as the Panel deems just and proper.

In its Statement of Answer and Amended Statement of Answer, Respondent Longship requested dismissal of the Amended Statement of Claim with prejudice; attorneys' fees; costs and other fees; and for such other relief as the Arbitrators deem fit.

In its Statement of Answer Respondent North South requested dismissal of the Statement of Claim.

In its Statement of Answer Respondent Sheridan requested denial of the Amended Statement of Claim in its entirety with prejudice; costs; and such other and further relief that the Panel deems fair and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

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

On April 25, 2016, an Amended Statement of Claim was filed naming Masi as the sole Claimant.

By correspondence dated May 16, 2016, Respondent Tradition filed a Motion to Dismiss pursuant to FINRA Rules 12206 and 12504 and Claimant objected. A recorded telephonic Pre-hearing Conference was held on September 2, 2016 to hear oral argument on Respondent Longship's Motion to Dismiss. After due deliberation and by Order dated September 2, 2016, the Panel denied Respondent Tradition's Motion to Dismiss.

By correspondence dated May 19, 2016, Respondent Longship filed a Motion to Dismiss pursuant to FINRA Rule 12504 and Claimant objected. A recorded telephonic Pre-hearing Conference was held on September 15, 2016 to hear oral argument on Respondent Longship's Motion to Dismiss. After due deliberation and by Order dated September 19, 2016, the Panel denied Respondent Longship's Motion to Dismiss.

By correspondence dated June 23, 2016, Claimant Masi filed a Motion for Sanctions against Longship for failure to file a Submission Agreement and Respondent Longship objected. By correspondence dated July 18, 2016, Claimant Masi filed a Motion for Sanctions against Sheridan for failure to file a Submission Agreement and Respondent Sheridan objected. A Pre-hearing conference was held on August 5, 2016 to hear oral argument on Claimant Masi's Motions for Sanctions. After due deliberation and by Order dated August 17, 2016, the Panel instructed Respondents Longship and Sheridan to file signed Submission Agreements, and deferred its ruling on the Motions for Sanctions.

By correspondence dated June 29, 2016, Respondent Sheridan filed a Motion to Dismiss pursuant to FINRA Rules 12206 and 12504 and Claimant objected. A recorded telephonic Pre-hearing Conference was held on September 15, 2016 to hear oral argument on Respondent Sheridan's Motion to Dismiss. After due deliberation and by Order dated September 19, 2016, the Panel granted Respondent Sheridan's Motion to Dismiss. The Panel found "The moving party was not associated with the securities in question, had no contact with Claimant and had no supervisory responsibilities with respect to the sale of securities which are the subject of this action."

By correspondence dated August 24, 2016, Claimant Masi filed a renewed Motion for Sanctions against Sheridan. After due deliberation and by Order dated September 19, 2016, the Panel denied Claimant's Motion.

By correspondence dated September 1, 2016, Claimant Masi notified FINRA Dispute Resolution that he settled his claims against North South.

After Claimant Masi's case-in-chief, Respondents Tradition and Longship each made a Motion to Dismiss. After due deliberation, the Panel denied Respondents Tradition's and Longship's respective Motions to Dismiss.

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 Masi's claims against Tradition and Longship are denied in their entirety.
2. Claimant's claims against Sheridan are dismissed pursuant to Rule 12504 of the Code of Arbitration Procedure.
3. Any and all claims for relief not specifically addressed herein, including punitive damages and attorneys' fees, are denied.

FEES

Pursuant to the Code of Arbitration Procedure, 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

**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, Respondents Tradition Asiel Securities Inc., Longship Alternative Asset Management and North South Capital, LLC are each assessed the following:

Member Surcharge = \$ 3,025.00
Member Process Fee = \$ 5,075.00

Discovery-Related Motion Fee

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

Four (4) decisions on discovery-related motions on the papers with one (1) arbitrator @ \$200.00/decision = \$ 800.00

Claimant Masi submitted three discovery-related motions
Respondent Longship submitted one discovery-related motion

Total Discovery-Related Motion Fees = \$ 800.00

1. The Panel has assessed \$600.00 of the discovery-related motion fees to Claimant Masi.
2. The Panel has assessed \$200.00 of the discovery-related motion fees to Respondent Longship.

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:

Four (4) pre-hearing sessions with the Panel @ \$1,300.00/session = \$ 5,200.00
Pre-hearing conferences: July 25, 2016 1 session
August 15, 2016 1 session
September 2, 2016 1 session
September 15, 2016 1 session

Seven (7) hearing sessions @ \$1,300.00/session		= \$ 9,100.00
Hearing Dates:	April 24, 2017	2 sessions
	April 25, 2017	2 sessions
	April 26, 2017	2 sessions
	April 27, 2017	1 session

Total Hearing Session Fees	= \$ 14,300.00
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1. The Panel has assessed \$5,850.00 of the hearing session fees to Claimant Masi.
2. The Panel has assessed \$1,300.00 of the hearing session fees to Respondent Tradition.
3. The Panel has assessed \$1,300.00 of the hearing session fees to Respondent Longship.
4. The Panel has assessed \$5,850.00 of the hearing session fees jointly and severally to Respondents Tradition and Longship.

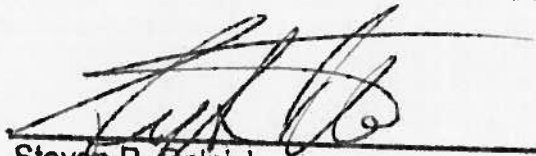
All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Steven R. Rolnick	-	Public Arbitrator, Presiding Chairperson
Sean Michael Peoples	-	Public Arbitrator
Mae A. Brudner	-	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



Steven R. Rolnick
Public Arbitrator, Presiding Chairperson

5/4/17

Signature Date

Sean Michael Peoples
Public Arbitrator

Signature Date

Mae A. Brudner
Public Arbitrator

Signature Date

May 4, 2017

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

ARBITRATION PANEL

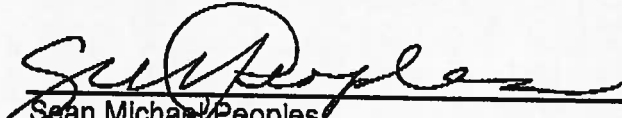
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Public Arbitrator, Presiding Chairperson

Signature Date



Sean Michael Peoples
Public Arbitrator

05/04/2017

Signature Date

Mae A. Brudner
Public Arbitrator

Signature Date

May 4, 2017

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Signature Date

Sean Michael Peoples
Public Arbitrator

Signature Date

Mae A. Brudner

Mae A. Brudner
Public Arbitrator

5/3/17

Signature Date

May 4, 2017

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