

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

Kristopher Brownlow
Alison Carpenter, as Trustee of the Derek Mason
Trust
Alison Carpenter, as Trustee of the Martha H.
Mason Trust

Case Number: 13-00089

vs.

Respondents

Sterling Enterprises Group, Inc.
Retirement Securities, Inc.

Hearing Site: Tampa, Florida

Nature of the Dispute: Customers vs. Members

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Kristopher Brownlow, Alison Carpenter, as Trustee of the Derek Mason Trust and Alison Carpenter, as Trustee of the Martha H. Mason Trust (collectively referred to herein as "Claimants"): Jeffrey P. Coleman, Esq. and Will Aubrey, Esq., Coleman Law Firm, Clearwater, Florida.

For Respondent Sterling Enterprises Group, Inc. ("Sterling"): Alyn Towne, III, President, Sterling Enterprises Group, Inc., Treasure Island, Florida.

Respondent Retirement Securities, Inc. ("Retirement") did not make an appearance as a party in this matter.

CASE INFORMATION

Statement of Claim filed on or about: January 7, 2013.

Kristopher Brownlow signed the Submission Agreement: December 17, 2012.

Alison Carpenter, as Trustee of the Derek Mason Trust signed the Submission Agreement: December 20, 2012.

Alison Carpenter, as Trustee of the Martha H. Mason Trust signed the Submission Agreement: December 20, 2012.

Respondent Sterling did not file a Statement of Answer or sign the Submission Agreement.

Respondent Retirement did not file a Statement of Answer or sign the Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: negligence; breach of fiduciary duty; negligent supervision; common law fraud; breach of contract (as third-party beneficiaries); violation of the Florida Securities and Investor Protection Act (Chapter 517, Florida Statutes). The causes of action relate to Claimants' investments in non-tradable Inland Western and Inland American Real Estate Investment Trusts.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested: compensatory damages in the amount of \$1,000,000.00; interest; costs and expenses; filing fees paid to FINRA and all forum fees advanced by Claimants; punitive damages in accordance with the law; attorneys' fees pursuant to Section 517.211 Florida Statutes (to be determined by a court of competent jurisdiction); and such further relief as the Panel deemed just and proper.

At the close of the hearing, Claimants requested costs advanced to FINRA; punitive damages; attorneys' fees in an unspecified amount; and compensatory damages inclusive of interest as follows:

Kristopher Brownlow	\$ 47,552.19
Allison Carpenter, Trustee of the Derek Mason Trust	\$719,971.65
Allison Carpenter, Trustee of the Martha H. Mason Trust	\$133,154.49

OTHER ISSUES CONSIDERED AND DECIDED

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

Respondent Sterling did not file with FINRA Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure (the "Code") and is bound by the determination of the Panel on all issues submitted.

Respondent Retirement did not file with FINRA Dispute Resolution a properly executed Submission Agreement but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

Upon review of the file and the representations made on behalf of Claimants, the Panel determined that Respondents Sterling and Retirement have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the Code.

On or about August 30, 2013, the Claimants dismissed all causes of action except for violation of Florida Securities and Investor Protection Act (Chapter 517 Florida Statutes).

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 Sterling and Respondent Retirement are found jointly and severally liable to Claimant Kristopher Brownlow for violations of Section 517.301 Florida Statutes and shall pay compensatory damages (inclusive of interest) in the amount of \$47,552.19.
- 2) Respondent Sterling and Respondent Retirement are found jointly and severally liable to Claimant Alison Carpenter, as Trustee of the Derek Mason Trust, for violations of Section 517.301 Florida Statutes and shall pay compensatory damages (inclusive of interest) in the amount of \$719,971.65.
- 3) Respondent Sterling and Respondent Retirement are found jointly and severally liable to Claimant Alison Carpenter, as Trustee of the Martha H. Mason Trust, for violations of Section 517.301 Florida Statutes and shall pay compensatory damages (inclusive of interest) in the amount of \$133,154.49.
- 4) Respondents Sterling and Retirement are found liable and shall pay to Claimants attorneys' fees pursuant to Section 517.211 Florida Statutes to be determined by a court of competent jurisdiction.
- 5) Respondents Sterling and Retirement are found liable and shall pay to Claimants the sum of \$375.00 representing reimbursement of the non-refundable portion of the claim filing fee previously paid by Claimants to FINRA Dispute Resolution.
- 6) Any and all relief not specifically addressed, including Claimants' request for 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

**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 parties, Respondents Sterling and Retirement are assessed the following:

For Respondent Sterling:

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

For Respondent Retirement:

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

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

One (1) Pre-hearing session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference: June 10, 2013 1 session	
One (1) Hearing session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Hearing Date: September 10, 2013 1 session	
Total Hearing Session Fees	= \$ 2,400.00

The Panel has assessed the total \$2,400.00 in hearing session fees jointly and severally to Respondents Sterling and Retirement.

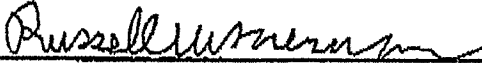
All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Russell W. Merriman	-	Public Arbitrator, Presiding Chairperson
Constance d'Angelis	-	Public Arbitrator
A.J. Seier	-	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



Russell W. Merriman
Public Arbitrator, Presiding Chairperson

10/30/13

Signature Date

Constance d'Angelis
Public Arbitrator

Signature Date

A.J. Seier
Public Arbitrator

Signature Date

11/1/13

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

ARBITRATION PANEL

Russell W. Merriman	-	Public Arbitrator, Presiding Chairperson
Constance d'Angelis	-	Public Arbitrator
A.J. Seier	-	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

Russell W. Merriman
Public Arbitrator, Presiding Chairperson

Signature Date

Constance d'Angelis

Constance d'Angelis
Public Arbitrator

October 30, 2013

Signature Date

A.J. Seier
Public Arbitrator

Signature Date

11/1/13

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

ARBITRATION PANEL

Russell W. Merriman	-	Public Arbitrator, Presiding Chairperson
Constance d'Angelis	-	Public Arbitrator
A.J. Seier	-	Public Arbitrator

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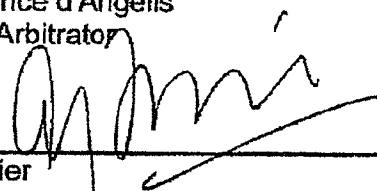
Concurring Arbitrators' Signatures

Russell W. Merriman
Public Arbitrator, Presiding Chairperson

Signature Date

Constance d'Angelis
Public Arbitrator

Signature Date



A.J. Seier
Public Arbitrator

10/28/2013

Signature Date

11/1/13

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