

**Award
FINRA Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants
Michael Regina
Patrick Teutonico

Case Number: 13-00570

vs.

Respondent
Matthew DiGregorio

Hearing Site: New York, New York

Nature of the Dispute: Associated Persons vs. Associated Person

REPRESENTATION OF PARTIES

Claimant Michael Regina appeared pro se.

Claimant Patrick Teutonico appeared pro se.

Respondent Matthew DiGregorio appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: February 26, 2013.

Answer to Counterclaim filed on or about June 2, 2014.

Motion to Dismiss Counterclaim filed on or about: September 12, 2014.

Opposition to Motion to Dismiss filed on or about: September 22, 2014.

Michael Regina signed the Submission Agreement: February 25, 2013.

Patrick Teutonico signed the Submission Agreement: February 25, 2013.

Statement of Answer filed by Respondent on or about: April 18, 2013.

Motion to Dismiss filed on or about April 24, 2014.

Counterclaim filed on or about May 13, 2014.

Opposition to Motion to Dismiss Counterclaim filed on or about: October 14, 2014.

Respondent signed the Submission Agreement: April 18, 2013.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, failure to pay promissory note, breach of fiduciary duty, fraud, fraudulent concealment and unjust enrichment.

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

In his Counterclaim, Respondent asserted the following causes of action: fraud and thievery, and violations of FINRA Rules 2110 and 2010.

Unless specifically admitted in their Answer, Claimants denied the allegations made in the Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested compensatory damages in the amount of \$1,000,000.00, punitive damages in the amount of \$500,000.00, expenses, filing and forum fees, reasonable attorneys' fees no less than \$50,000.00, interest, and such other and further relief as the Panel deems just and proper.

At the close of the hearing, Claimants requested punitive damages in the amount of \$750,000.00.

Respondent requested dismissal of the Statement of Claim.

In his Counterclaim, Respondent requested compensatory damages in the amount of \$1,000,000.00, arbitration fees, and any other amount that the Panel deems fair and equitable.

Claimants requested dismissal of the Counterclaim, that Respondent be assessed all forum fees and other FINRA charges, and such other and further relief as is permitted by law and which the Panel deems just and proper.

By Order dated January 7, 2015 the Panel allowed Respondent's Counterclaim for damages in the amount of \$700,000.00.

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 April 24, 2014 Respondent filed a Motion for Leave to file a Counterclaim. On or about May 1, 2014 Claimants filed their Opposition. After due deliberation, the Panel granted the Motion by Order dated May 13, 2014. The Order deemed the Counterclaim filed on May 13, 2014.

On or about April 24, 2014 Respondent filed a Motion to Dismiss; Claimants filed their Opposition on or about September 22, 2014. After due deliberation, the Panel denied the Motion by Order dated January 7, 2015.

On or about September 17, 2014 Claimants filed a Motion to Dismiss Respondent's Counterclaim. On or about October 14, 2014, Respondent filed an Opposition. After due deliberation, the Panel granted Claimants' Motion in part by Order dated January 7, 2015. Claimants' Motion was granted with respect to Respondent's requested damages for \$300,000.00 plus interest for penalties for amounts owed; and denied for Respondent's request for \$400,000.00 for lost production (2010-2013), and \$300,000.00 for consideration for branch ownership stolen.

Respondent did not appear at the May 20-21, 2015 hearing dates and failed to provide documentation explaining his absence as directed by the Panel.

The Panel noted that the parties' claims with respect to Fullcom are not within FINRA's jurisdiction since Fullcom is not a member of FINRA. Therefore, the Panel made no determination with respect to any claims against Fullcom.

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

1. Respondent is liable for and shall pay to Claimants compensatory damages in the amount of \$246,726.68.
2. Respondent's Counterclaim is denied in its entirety.
3. Any and all relief not specifically addressed herein, including 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	=\$ 1,800.00
Counterclaim Filing Fee	=\$ 1,575.00

**The filing fee is made up of a non-refundable and a refundable portion.*

At the conclusion of this matter, the Panel determined to waive Respondent's Counterclaim filing fees.

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 the parties' former firm, A&F Financial Securities, Inc. is assessed the following:

Member Surcharge	=\$ 2,800.00
Pre-Hearing Processing Fee	=\$ 750.00
Hearing Processing Fee	=\$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 14-15, 20-21, 2014 adjournment by the parties	= \$1,200.00
March 24-27, 2015 adjournment by Claimants	= \$1,200.00
May 20, 2015 adjournment by Respondent	= \$1,200.00
May 21, 2015 adjournment by Respondent	= \$1,200.00
<hr/> Total Adjournment Fees	<hr/> = \$4,800.00

1. The Panel has assessed \$1,800.00 of the adjournment fees to Claimant.
2. The Panel has assessed \$3,000.00 of the adjournment fees to Respondent.

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:

May 14-15, 20-21, 2014 adjournment by the parties	= \$ 300.00
May 20, 2015 adjournment by Respondent	= \$ 300.00
May 21, 2015 adjournment by Respondent	= \$ 300.00
<hr/> Total Three-Day Cancellation Fees	<hr/> = \$ 900.00

1. The Panel has assessed \$150.00 of the three-day cancellation fees jointly and severally to Claimants
2. The Panel has assessed \$750.00 of three-day cancellation 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: August 19, 2014	1 session	
Four (4) Pre-hearing sessions with the Panel @ \$1,200.00/session	= \$	4,800.00
Pre-hearing conferences: July 11, 2013	1 session	
October 15, 2014	1 session	
November 20, 2014	1 session	
March 24, 2015	1 session	
Six (6) Hearing sessions @ \$1,200.00/session	= \$	7,200.00
Hearing Dates: May 13, 2014	1 session	
May 19, 2015	2 sessions	
May 27, 2015	2 sessions	
May 29, 2015	1 session	
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Total Hearing Session Fees	= \$	12,450.00

1. The Panel has assessed \$6,225.00 of the hearing session fees jointly and severally to Claimants.
2. The Panel has assessed \$6,225.00 of the hearing session fees to Respondent.


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

ARBITRATION PANEL

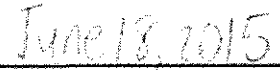
Cheryl H. Agris	-	Public Arbitrator, Presiding Chairperson
Ann P. Bruch	-	Public Arbitrator
Mark Hammaren	-	Non-Public Arbitrator

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



Cheryl H. Agris
Public Arbitrator, Presiding Chairperson



Signature Date

Ann P. Bruch
Public Arbitrator

Signature Date

Mark Hammaren
Non-Public Arbitrator

Signature Date

June 19, 2015

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

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Mark Hammaren
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6/18/15

Signature Date

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