

Award
FINRA Office of Dispute Resolution

In the Matter of the Arbitration Between:

Claimant
Lisa Parmerlee (f/k/a Lisa Stockard)

Case Number: 16-00542

vs.

Respondents
Donald Gene DeWaay, Jr.
DeWaay Financial Network, LLC
DeWaay Capital Management, Inc.

Hearing Site: Denver, Colorado

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

REPRESENTATION OF PARTIES

For Claimant Lisa Parmerlee (f/k/a Lisa Stockard), hereinafter referred to as "Claimant":
Gail E. Boliver, Esq., Boliver Law Firm, Marshalltown, Iowa.

Respondents Donald Gene DeWaay, Jr., DeWaay Financial Network, LLC, and
DeWaay Capital Management, Inc. did not enter appearances in this matter.

CASE INFORMATION

Amended Statement of Claim dated: March 30, 2016.
Claimant signed the Submission Agreement: February 24, 2016.

Respondents Donald Gene DeWaay, Jr., DeWaay Financial Network, LLC, and
DeWaay Capital Management, Inc. did not sign Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action: suitability; failure to supervise; breach of fiduciary duty; negligence; negligent supervision and respondeat superior; misrepresentation, or in the alternative negligent misrepresentation; control person liability; and Employee Retirement Income Security Act ("ERISA") violations. The causes of action relate to the following investments: Arciterra Notes Fund 2-8.5%, Cawley Fund 1-9.0% Secured Note, Cypress-Fund XIII, DBSI 2007 Land Improvement and development, DBSI Hernando South, DCM Series a Subordinated Note, MPF-DeWaay Premier Fund 4, Behringer Harvard Opp REIT 1, and IPOA (an alleged Ponzi scheme).

RELIEF REQUESTED

In the Statement of Claim, Claimant requested:

1. Rescission – a return of her original investments in all direct placements;
2. Punitive damages;
3. Interest at the legal rate from the legal date;
4. Costs, attorneys' fees and expert fees;
5. Such other remedies as the Arbitrator may find just and equitable; and
6. Actual damages of \$337,000.00.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges that he has read the pleadings and other materials filed by the parties.

By motion for default dated November 8, 2016, Claimant requested to proceed against all Respondents in this matter pursuant to Rule 12801 of the Code of Arbitration Procedure ("Code"). On November 30, 2016, FINRA Office of Dispute Resolution notified the parties that Chairperson Richard Djokic had been retained to decide the case as the sole Arbitrator.

Respondents Donald Gene DeWaay, Jr. and DeWaay Financial Network, LLC did not file with FINRA Office of Dispute Resolution properly executed Submission Agreements or Statement of Answers but are required to submit to arbitration pursuant to the Code and, are bound by the determination of the Arbitrator on all issues submitted.

Respondent DeWaay Capital Management, Inc. is not a member or associated person of FINRA and did not voluntarily submit to arbitration. Therefore, the Arbitrator made no determination with respect to Claimant's claims against Respondent DeWaay Capital Management, Inc.

The Arbitrator determined that Respondents Donald Gene DeWaay, Jr. and DeWaay Financial Network, LLC were properly served notice of the Statement of Claim as evidenced by an "Acceptance of Service" document signed by Donald G. DeWaay, Jr. as control person of DeWaay Financial Network, LLC. The Acceptance of Service document acknowledged receipt of the Statement of Claim, Initial Prehearing Conference Order, and the Initial Prehearing Conference Scheduling Order. Accordingly, Respondents Donald Gene DeWaay, Jr. and DeWaay Financial Network, LLC are bound by the determination of the Arbitrator on all issues submitted.

AWARD

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

1. Respondents Donald Gene DeWaay, Jr. and DeWaay Financial Network, LLC are jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of \$337,000.00.

2. Respondents Donald Gene DeWaay, Jr. and DeWaay Financial Network, LLC are jointly and severally liable for and shall pay to Claimant interest on the amount of \$337,000.00 at the rate of 8% compounded annually from the date of service of the Award until the date the amount of \$337,000.00 is paid in full.
3. Any and all claims for relief not specifically addressed herein, including punitive damages and attorneys' fees, 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 = \$1,425.00

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

FINRA Office of Dispute Resolution preliminarily deferred the initial claim filing fee. At the conclusion of the case, the Arbitrator determined that the non-refundable portion of the initial claim filing fee in the amount of \$300.00 should be waived.

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 a party, DeWaay Financial Network, LLC is assessed the following:

Member Surcharge = \$ 1,900.00
Member Process Fee = \$ 3,750.00

Hearing Session Fees and Assessments

The Arbitrator 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 @ \$1,125.00/session = \$1,125.00
Pre-hearing conference: August 9, 2016 1 session

Decision on the papers: = \$ 300.00

Total Hearing Session Fees = \$1,425.00

The Arbitrator has assessed \$1,425.00 of the hearing session fees jointly and severally to Respondents Donald Gene DeWaay, Jr. and DeWaay Financial Network, LLC.

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

ARBITRATOR

Richard Djokic

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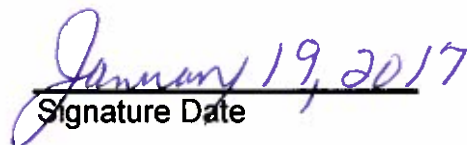
Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Arbitrator's Signature



Richard Djokic
Sole Public Arbitrator



Signature Date

January 19, 2017
Date of Service (For FINRA Office of Dispute Resolution office use only)