

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimants

Xiujuan Zhu Roth IRA
Zhiming Lu Roth IRA

Case Number: 21-00074

vs.

Respondent

Royal Alliance Associates, Inc.

Hearing Site: Denver, Colorado

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Customers vs. Member

The evidentiary hearing was conducted by videoconference.

REPRESENTATION OF PARTIES

For Claimants Xiujuan Zhu Roth IRA (“Xiujuan”) and Zhiming Lu Roth IRA (“Zhiming”): Michael S. Hill, Esq. and Gary S. Menzer, Esq., Menzer & Hill, P.A., Boca Raton, Florida.

Hereinafter, Xiujuan and Zhiming are collectively referred to as “Claimants”.

For Respondent Royal Alliance Associates, Inc. (“Respondent”): Greg Curley, Esq. and Will Montgomery, Esq., Advisor Group, Inc., Jersey City, New Jersey.

CASE INFORMATION

Statement of Claim filed on or about: January 12, 2021.

Claimants signed the Submission Agreement: January 12, 2021.

Statement of Answer filed by Respondent on or about: March 29, 2021.

Respondent signed the Submission Agreement: March 3, 2021.

CASE SUMMARY

In the Statement of Claim, Claimants asserted the following causes of action: breach of contract and warranties; promissory estoppel; violation of state securities statutes; breach of fiduciary duty; negligence and gross negligence; misrepresentation/omission & negligent misrepresentation/omission; unjust enrichment; failure to supervise; common law and statutory

claims and damages; and vicarious & control person liability. The causes of action relate to Claimants' investment in Franklin Square Investment Corporation III.

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

RELIEF REQUESTED

In the Statement of Claim, Claimants requested:

1. Compensatory damages of approximately \$66,000.00;
2. Award of statutory damages pursuant to state laws:
 - a. rescissionary damages;
 - b. lost opportunity damages; and
 - c. accrued statutory interest;
3. Punitive damages;
4. Costs;
5. Filing and hearing fees; and
6. Other remedies the Arbitrator deems proper and appropriate.

In the Statement of Answer, Respondent requested:

1. The Statement of Claim be denied in its entirety;
2. Forum fees be imposed on Claimants in their entirety; and
3. Such other and further relief to Respondent that the Arbitrator deems to be just and equitable.

At the hearing, Claimants requested their final damages in the amount of \$54,567.96.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and any post-hearing submissions, the Arbitrator 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 the sum of \$30,000.00 in compensatory damages.
2. Respondent is liable for and shall pay to Claimants \$225.00 to reimburse Claimants for the non-refundable portion of the filing fee previously paid to FINRA Dispute Resolution Services.
3. Any and all claims for relief not specifically addressed herein, including any requests for punitive damages, are denied.

FEES

Pursuant to the Code of Arbitration Procedure (“Code”), the following fees are assessed:

Filing Fees

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

Initial Claim Filing Fee	=\$ 975.00
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**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 person at the time of the event giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	=\$ 1,100.00
Member Process Fee	=\$ 2,250.00

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, including a pre-hearing conference with the Arbitrator, which 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: May 4, 2021	1 session
Four (4) hearing sessions @ \$450.00/session	=\$ 1,800.00
Hearings: December 8, 2021	2 sessions
December 9, 2021	2 sessions

Total Hearing Session Fees	=\$ 2,250.00
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The Arbitrator has assessed \$225.00 of the hearing session fees to Claimants.

The Arbitrator has assessed \$2,025.00 of the hearing session fees to Respondent.

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

ARBITRATOR

Adam Michael Porter

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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

Adam Michael Porter

Adam Michael Porter
Sole Public Arbitrator

12/29/2021

Signature Date

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December 29, 2021

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