

**Amended Award
FINRA Office of Dispute Resolution**

In the Matter of the Arbitration Between:

Claimants

Kurt Wesley Haney
Robert Harding Staton, III

Case Number: 16-02761

vs.

Respondent

Deutsche Bank Securities, Inc.

Hearing Site: Dallas, Texas

Nature of the Dispute: Associated Persons vs. Member

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Kurt Wesley Haney ("Haney") and Robert Harding Staton, III ("Staton"): Clay Hartman, Esq., The Hartmann Firm, Dallas, Texas, and Theodore C. Anderson, Esq. and Robert M. Thornton, Esq., Kilgore & Kilgore, PLLC, Dallas, Texas.

For Respondent Deutsche Bank Securities, Inc.: Donald R. Littlefield, Esq. and Susan Logsdon, Esq., Ballard & Littlefield LLP, Houston, Texas.

CASE INFORMATION

Statement of Claim filed on or about: September 16, 2016.

Haney signed the Submission Agreement: September 13, 2016.

Staton signed the Submission Agreement: September 14, 2016.

Statement of Answer filed by Respondent on or about: November 22, 2016.

Deutsche Bank Securities, Inc. signed the Submission Agreement: November 21, 2016.

CASE SUMMARY

Claimants asserted the cause of action of defamation. The cause of action relates to Claimants' termination of employment with Respondent and Respondent's characterization of the reason for termination on Claimants' respective Form U5 Central Registration Depository ("CRD") records.

Unless specifically admitted 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, Claimant Haney requested damages in the amount of

\$7,500,000.00, inclusive of lost earnings and lost earnings capacity, and Claimant Staton requested damages in the amount of \$2,600,000.00, inclusive of lost earnings and lost earnings capacity. Additionally, Claimants jointly requested: pre and post-award interest at the rate of 5% per annum on all claims; costs and expenses, including forum fees, expert fees, witness fees, production fees, other case-related costs and out of pocket expenses; reasonable attorneys' fees; punitive damages; expungement of all references to this matter from Claimants' respective Form U5 CRD records; and such other and further relief to which Claimants may be entitled.

In the Statement of Answer, Respondent requested: denial in its entirety of all relief requested by Claimants; assessment of all costs of this proceeding, including attorneys' fees, to Claimants; and such other relief deemed just by the Panel.

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 June 27, 2018, the Panel issued an Order directing Claimants' counsel to provide statutory authorization for the recovery of attorneys' fees from Respondent. The parties fully briefed this issue before the Panel rendered its decision.

On or about August 22, 2018, the Panel issued an Order directing Claimants to send a copy of the Statement of Claim in this matter to the underlying customers regarding Occurrence Nos. 1908378 and 1908379 and to notify them of their right to make a written submission setting forth their positions with respect to the expungement request.

On or about August 23, 2018, in compliance with the Panel's Order, Claimants filed with FINRA Dispute Resolution proof of service of the Statement of Claim to the underlying customers in Occurrence Nos. 1908378 and 1908379, and advised them of their right to make a written submission setting forth their positions regarding the expungement request.

On or about August 24, 2018, all of the underlying customers submitted responses to the request for expungement stating that they support, and have no objection to, the expungement request.

The Panel noted that only Claimant Haney had customer complaints on his CRD relating to the termination comment on Claimants' respective Form U5 records. Accordingly, the Panel reviewed Claimant Haney's BrokerCheck® Report and the settlement documents, considered the amount of payments made to any party, and considered other relevant terms and conditions of the settlements. The Panel noted that the settlements were not conditioned on Claimant Haney not opposing the request for expungement. The Panel also noted that Claimant Haney did not contribute to the settlement amount nor did he previously file a claim requesting expungement of the same disclosure in the CRD.

In recommending expungement, the Panel relied upon the following documentary or other evidence: Statement of Claim, Answer, and the testimony and evidence admitted into the record at the evidentiary hearing.

This Award was amended solely for the purpose of clarifying the expungement language contained in the Award section below.

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 in-person recorded 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 is liable for and shall pay to Claimant Haney compensatory damages in the amount of \$1,416,000.00.
2. Respondent is liable for and shall pay to Claimant Staton compensatory damages in the amount of \$1,345,000.00.
3. Respondent is liable for and shall pay to Claimants interest on the respective compensatory damage amounts set forth above at the rate of 5% per annum, accruing from the date of service of this Award until payment in full.
4. Respondent is liable for and shall pay to Claimants the sum of \$9,500.00, representing expert witness fees incurred by Claimants in this matter.
5. Respondent is liable for and shall pay to Claimants the sum of \$750.00, representing the non-refundable portion of the initial claim filing fee previously paid by Claimants to FINRA Office of Dispute Resolution.
6. Respondent is liable for and shall pay to Claimants the sum of \$142,749.00 in attorneys' fees pursuant to Section 171.048 of the Texas Civil Practice and Remedies Code (Texas General Arbitration Act).
7. Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages and Respondent's request for attorneys' fees, are denied.
8. Claimant Haney

The Panel recommends the expungement of the Reason for Termination from the Form U5 filed by Deutsche Bank Securities, Inc. on May 13, 2016 (Occurrence No. 1881645), for Claimant Haney (CRD# 827752) and maintained by the CRD. The Panel recommends that the Reason for Termination be changed to "Voluntary" and the Termination Explanation appear blank. In addition, the Panel recommends that

the answer to Question 7F(1) be changed from Yes to No and the accompanying Termination Disclosure Reporting Page be deleted in its entirety.

The above recommendation is based on the defamatory nature of the information and shall apply to all subsequent disclosures concerning this event, including but not limited to, the Form U4 filed by Crescent Securities Group on January 26, 2018. The registration records are not automatically amended to include the changes indicated above. Claimant Haney must forward a copy of this Award to FINRA's Registration and Disclosure Department for review.

The Panel further recommends the expungement of all references to Occurrence Nos. 1908378 and 1908379 from the registration records maintained by the CRD for Claimant Haney with the understanding that, pursuant to Notice to Members 04-16, Claimant Haney must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code of Arbitration Procedure (the "Code"), the Panel has made the following Rule 2080 affirmative finding of fact with respect to Claimant Haney:

The claim, allegation, or information is false.

The Panel has made the above Rule 2080 finding based on the following reasons:

During the hearing, testimony was repeatedly given that significant confusion existed in marketing the convertible debentures. Deutsche Bank management was responsible for setting policies and for determining suitability in the marketing of the convertible debentures. Deutsche Bank management did not provide clear and timely communications to Claimant Haney. Claimant Haney relied upon very limited communications from management regarding the policies, procedures and direction for handling the convertible debenture clients.

9. Claimant Staton

The Panel recommends the expungement of the Reason for Termination Explanation from the Form U5 filed by Deutsche Bank Securities, Inc. on May 13, 2016 (Occurrence No. 1881644), for Claimant Staton (CRD# 1499358) and maintained by the CRD. The Panel recommends that the Reason for Termination be changed to "Voluntary" and the Termination Explanation appear blank. In addition, the Panel recommends that the answers to Question 7F(1) and 7F(3) be changed from Yes to No and the accompanying Termination Disclosure Reporting Page be deleted in its entirety.

The above recommendations is based on the defamatory nature of the information and shall apply to all subsequent disclosures concerning this event. The Form U5 is

not automatically amended to include the changes indicated above. Claimant Staton must forward a copy of this Award to FINRA's Registration and Disclosure Department for the review.

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	= \$ 2,250.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge	= \$ 4,025.00
Member Process Fee	= \$ 7,000.00

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

October 2-7, 2017, postponement by parties	= \$ 1,500.00
March 5-10, 2018, postponement by Respondent	= \$ 1,500.00

Total Postponement Fees	= \$ 3,000.00
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The Panel has assessed the total \$3,000.00 in adjournment 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 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 a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: May 2, 2018	1 session

One (1) pre-hearing session with the Panel @ \$1,500.00/session	= \$ 1,500.00
Pre-hearing conference: February 8, 2017	1 session

Seven (7) hearing sessions @ \$1,500.00/session	= \$10,500.00
Hearing Dates: June 11, 2018	2 sessions
June 12, 2018	2 sessions

June 13, 2018
June 14, 2018

1 session
2 sessions

Total Hearing Session Fees =\$12,450.00

The Panel has assessed the total hearing session fees of \$12,450.00 to Respondent.

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

ARBITRATION PANEL

David A. Schuler	-	Public Arbitrator, Presiding Chairperson
Robert A. Bettis	-	Public Arbitrator
Robert L. Williamson	-	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

David Schuler

David A. Schuler
Public Arbitrator, Presiding Chairperson

9/21/18

Signature Date

Robert A. Bettis
Public Arbitrator

Signature Date

Robert L. Williamson
Public Arbitrator

Signature Date

10/1/18

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

ARBITRATION PANEL

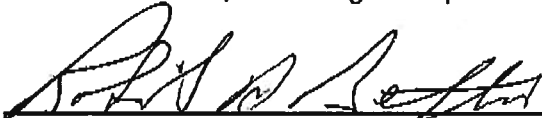
David A. Schuler	-	Public Arbitrator, Presiding Chairperson
Robert A. Bettis	-	Public Arbitrator
Robert L. Williamson	-	Public Arbitrator

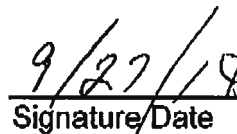
I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures

David A. Schuler
Public Arbitrator, Presiding Chairperson

Signature Date





Robert A. Bettis
Public Arbitrator

Signature Date

Robert L. Williamson
Public Arbitrator

Signature Date

10/1/18

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

ARBITRATION PANEL

David A. Schuler	-	Public Arbitrator, Presiding Chairperson
Robert A. Bettis	-	Public Arbitrator
Robert L. Williamson	-	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

David A. Schuler
Public Arbitrator, Presiding Chairperson

Signature Date

Robert A. Bettis
Public Arbitrator

Signature Date



Robert L. Williamson
Public Arbitrator

27 September 2018
Signature Date

10/1/18

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