

AWARD
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Names of Claimants

Brad Nord, Cheryl Nord, Nord Cos., Inc.,
and Bradley S. Nord IRA

vs.

Case Number: 13-01997
Hearing Site: Minneapolis, Minnesota

Names of Respondents

Berthel, Fisher & Company Financial Services, Inc.,
Prospera Financial Services, Inc.,
1st Global Capital Corporation and Anthony Bauer

NATURE OF THE DISPUTE

Customers vs. Members and Associated Person

This case proceeded under the All-Public Panel Rule / All-Public Panel

REPRESENTATION OF PARTIES

Brad Nord, Cheryl Nord, Nord Cos., Inc., and Bradley S. Nord IRA ("Claimants") were represented by Michael Hill, Esq., Menzer & Hill, PA, Boca Raton, Florida.

Berthel, Fisher & Company Financial Services, Inc. ("Berthel Fisher") and Anthony Bauer ("Bauer") were represented by Cory D. Olson, Esq., Anthony Ostlund Baer & Louwagie, Esq., Minneapolis, Minnesota.

Prospera Financial Services, Inc. ("Prospera") was represented by Jeff I. Nicodemus, Esq., Cobb Martinez Woodward, Dallas, Texas.

1st Global Capital Corporation ("1st Global") was represented by Livia E. Babcock, Esq., Meagher & Geer, PLLP, Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about July 9, 2013. The Submission Agreement of Claimants was signed on or about July 1, 2013.

The Statement of Answer was filed jointly by Respondents, Berthel, Fisher & Company Financial Services, Inc. and Anthony Bauer, on or about November 1, 2013. The Submission Agreement of Respondent, Berthel, Fisher & Company Financial Services, Inc., was signed on or about October 30, 2013. The Submission Agreement of Respondent, Anthony Bauer, was signed on or about October 30, 2013.

The Statement of Answer was filed by Respondent, Prospera Financial Services, Inc., on or about October 30, 2013. The Submission Agreement of Respondent, Prospera Financial Services, Inc., was signed on or about September 17, 2013 by Abel Garcia, CFO & CEO of Prospera Financial Services, Inc. An Amended Statement of Answer was filed by Prospera Financial Services, Inc. on December 12, 2013.

The Statement of Answer was filed by Respondent, 1st Global Capital Corporation, on or about November 1, 2013.

CASE SUMMARY

Claimants asserted causes of action including the following: fraud; negligence; gross negligence; breach of contract; breach of fiduciary duty; and failure to supervise. Claimants alleged that Bauer solicited them to purchase promissory notes and equity interests to finance real estate developments and a nightclub. Claimants stated that Bauer told them these investments were a great opportunity, but Claimants were never given a prospectus, offering memorandum or any of the documents listing any risks associated with the investments. Claimant further alleged that the promissory notes of the offeror(s)/promissory(s) were notarized by associated people (and sometimes a registered representative) of each office of Prospera, Berthel Fisher and 1st Global.

Unless specifically admitted in their Joint Statement of Answer, Respondents, Berthel, Fisher & Company Financial Services, Inc. and Anthony Bauer, denied the allegations made in the Statement of Claim and asserted affirmative defenses.

Unless specifically admitted in its Answer, Respondent, Prospera Financial Services, Inc., denied the allegations made in the Statement of Claim and asserted affirmative defenses.

Unless specifically admitted in its Answer, Respondent, 1st Global Capital Corporation, denied the allegations made in the Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

In its Statement of Claim, Claimants requested an award in the amount of:

Actual/Compensatory Damages	Unspecified
Punitive/Exemplary Damages	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Interest	Unspecified
Other Monetary Relief	Unspecified

Respondents, Berthel Fisher and Bauer, requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

Respondent, Prospera, requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

Respondent, 1st Global, requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

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

Respondent, 1st Global Capital Corporation, 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.

On or about November 4, 2013, FINRA received notice that all claims asserted against Respondent 1st Global had been withdrawn. The Panel therefore did not adjudicate any claims asserted against 1st Global.

On or about May 29, 2014, Berthel Fisher and Bauer filed a Motion to Dismiss under 12504(a)(6)(B). On or about July 16, 2014, Claimants filed a Response in Opposition to Berthel Fisher and Bauer's Motion to Dismiss. On or about July 21, 2014, Berthel Fisher and Bauer filed a Reply in Support of their Motion to Dismiss.

On or about June 25, 2014, Prospera filed a Motion to Dismiss under 12504(a)(6)(B). On or about July 16, 2014, Claimants filed a Response in Opposition to Prospera's Motion to Dismiss.

A recorded telephonic hearing on Respondents' Motions to Dismiss was held on September 9, 2014. The Panel issued Orders on or about September 10, 2014 granting Respondents, Berthel Fisher and Bauer's Motion to Dismiss and Respondent Prospera's Motion to Dismiss. In their Orders the Panel found that the "moving party was not associated with the accounts, securities, or conduct at issue."

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, the evidence presented at the telephonic hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimants' claims, each and all, are hereby denied and dismissed with prejudice in their entirety;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3.) Any relief not specifically enumerated is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution will retain the non-refundable filing fee* for each claim:

Initial Claim filing fee = \$ 1,250.00

**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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, as parties, Berthel, Fisher & Company Financial Services, Inc., Prospera Financial Services, Inc., and 1st Global Capital Corporation, are each assessed the following:

Berthel, Fisher & Company Financial Services, Inc.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

Prospera Financial Services, Inc.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

1st Global Capital Corporation

Member surcharge	= \$ 1,500.00
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Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each hearing 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:

Two (2) Pre-hearing sessions with Panel x \$1,000.00	= \$ 2,000.00
Pre-hearing conferences: February 18, 2014	1 session
September 9, 2014	1 session
<hr/> Total Hearing Session Fees	<hr/> = \$ 2,000.00

The Panel has assessed \$1,333.33 of the hearing session fees jointly and severally to Brad Nord, Cheryl Nord, Nord Cos., Inc., and Bradley S. Nord IRA.

The Panel has assessed \$333.33 of the hearing session to Berthel, Fisher & Company Financial Services, Inc.

The Panel has assessed \$333.33 of the hearing session fees to Prospera Financial Services, Inc.

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

ARBITRATION PANEL

Douglas J. Nesbit - Public Arbitrator, Presiding Chair
Robert Lee Nelson - Public Arbitrator
Steven Eric Brandes - 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:

/s/ Douglas J. Nesbit
Douglas J. Nesbit
Public Arbitrator, Presiding Chair

9/24/14
Signature Date

Robert Lee Nelson
Robert Lee Nelson
Public Arbitrator

Signature Date

/s/ Steven Eric Brandes
Steven Eric Brandes
Public Arbitrator

9/24/14
Signature Date

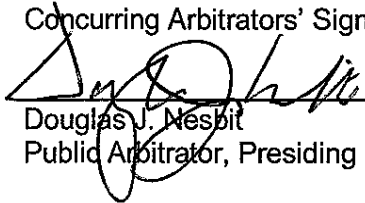
9/25/14
Date of Service (For FINRA office use only)

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Public Arbitrator

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Signature Date

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