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ROSEN & ASSOCIATES, P.C.
Robert C. Rosen (SBN 79684)
Kirsten Anderson (SBN 175936)
444 S. Flower Street, Suite 602
Los Angeles, California 90071
Tel.: (213) 362-1000; Fax: (213) 362-1001
e-mail: robertrosen@rosen-law.com

JS-6

Attorneys for Petitioners and Cross-Respondents
ANDREW WRIGHT and BLEND A WRIGHT

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

ANDREW WRIGHT and
BLEND A WRIGHT, Trustees of
The Wright Family Trust,

Petitioners,

v.

JOHN MARSHALL, ROLLANCE
VERKINNIS and LINCOLN
FINANCIAL ADVISORS CORP.,

Respondents.

[Removed from state court]

JOHN MARSHALL, ROLLANCE
VERKINNIS and LINCOLN
FINANCIAL ADVISORS CORP.,

Cross Petitioners
[improperly designated as
Petitioners],

v.

ANDREW WRIGHT and
BLEND A WRIGHT, Trustees of
The Wright Family Trust,

Cross Respondents,
[improperly designated as
Respondents].

CASE NO.: CV11 04506 JAK VBKx
[Hon. John A. Kronstadt]

JUDGMENT

1 On April 27, 2011, a decision and award ("Award") was issued by a
2 three member arbitrator panel in an arbitration proceeding governed by the
3 Financial Institutions Regulatory Authority ("FINRA," formerly NASD).
4 According to the Award, ANDREW and BLEND A WRIGHT (the "Wrights"),
5 prevailed against the Respondents, JOHN MARSHALL, LINCOLN
6 FINANCIAL ADVISORS CORPORATION, and ROLLANCE VERKINNIS
7 ("Lincoln Parties"). The current proceeding in this Court concerns that
8 Award.

9 On May 18, 2011, in California Superior Court, in Los Angeles, the
10 Wrights filed a Petition to Confirm Arbitration Award ("State Proceeding").
11 On May 25, 2011, in this Court, the Lincoln Parties filed a Complaint and
12 Petition for Vacation of Arbitration Award with Prejudice ("Complaint").
13 [Docket No. 1] In the Complaint, the Lincoln Parties petitioned this Court to
14 vacate the Award.

15 On May 27, 2011, the Lincoln Parties filed a Notice of Removal of
16 Action and related documents. [Docket No. 4] By that Notice, the State
17 Proceeding was removed to this Court.

18 On June 9, 2011, the Wrights filed a motion which asked this Court for
19 an Order for the following relief ("Motion") [Docket No. 10]:

20 (1) **Remand** this case to state court because **federal**
21 **jurisdiction** is lacking and/or because this Court should abstain
22 from accepting jurisdiction over any part of this case, or

23 (2) **Grant** the Petition by the Wrights to Confirm
24 Contractual Arbitration Award ("Petition to Confirm;" see also
25 "Award" at Ex. 2; and "Petition" at Ex. 3) and **dismiss or deny**
26 the "Complaint and Petition for Vacation of Arbitration Award"
27 ("Petition to Vacate"; on Court's Docket as No. 1) filed by [Cross]
28 Petitioners JOHN MARSHALL, ROLLANCE VERKINNIS and
LINCOLN FINANCIAL ADVISORS CORPORATION (collectively,
"Lincoln" or "Removing Parties" or Cross Petitioners
mis-designated as Petitioners); and

(3) **Award attorneys' fees** and/or Rule 11 sanctions in favor
of the Wrights and against Lincoln and their counsel.

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On June 27, 2011, the Lincoln Parties filed "Defendants' Opposition to

1 that Portion of Plaintiffs' Motion to Remand Requesting an Award re Motion
2 to Remand Case, etc." ("Opposition") [Docket No. 12].

3 On July 1, 2011, the Parties filed a "Stipulation and [Proposed] Order of
4 Dismissal of the Complaint and Petition for Vacation of Arbitration Award
5 with Prejudice as to All Cross-Respondents." [Docket Nos. 13 and 14]

6 On July 5, 2011, the Wrights filed a "Reply in support of Motion for
7 Sanctions, etc." [Docket No. 15].

8 On July 11, 2011, at 1:30 p.m., the Honorable John A. Kronstadt,
9 Judge presiding in Courtroom 750, held a hearing on the Motion by the
10 Wrights to: (1) Remand this Case to State Court and/or Abstain from
11 Accepting Jurisdiction; or (2) Grant the Wrights' Petition to Confirm the
12 Arbitration Award and Dismiss or Deny Lincoln's "Complaint and Petition to
13 Vacate" the Award; and (3) Award Attorneys' Fees And/or Sanctions Against
14 the Lincoln Parties and their Counsel.

15 After reviewing the motion papers, the file in this case and after oral
16 argument by counsel, the Court enters judgment in favor of the Wrights and
17 against the Lincoln Parties as follows:

18
19 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:**

20 (A) The attached Arbitration Award in favor of the Wrights and
21 against the Lincoln Parties is hereby confirmed as a Judgment. Specifically:

- 22 1. The Lincoln Parties are jointly and severally liable for and shall
23 pay to the Wrights compensatory damages in the amount of
24 \$1,170,500.00.
- 25 2. The Lincoln Parties are jointly and severally liable for and shall
26 pay to the Wrights simple interest at the rate of 10% per annum
27 on the amount of \$1,170,500.00 from the date of the award until
28 the award is paid in full.

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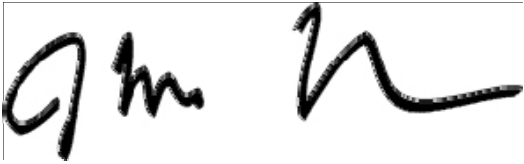
- 3. Lincoln Financial is solely liable for and shall pay to the Wrights compensatory damages in the amount of \$590,000.00.
- 4. Lincoln Financial is solely liable for and shall pay to the Wrights simple interest at the rate of 10% per annum on the amount of \$590,000.00 from the date of the award until the award is paid in full.
- 5. Lincoln Financial is solely liable for and shall pay to the Wrights \$600.00 to reimburse the Wrights for the non-refundable portion of the Wrights' initial claim filing fee.

(B) The Lincoln Parties' Complaint and Petition for Vacation of Arbitration Award is hereby dismissed, with prejudice.

(C) Sanctions in the form of attorneys fees of \$5,000 are awarded in favor of the Wrights and against the Lincoln Parties and their counsel, Lewis Brisbois Bisgaard & Smith LLP.

(D) Sanctions due by the Lincoln Parties and their counsel are to be paid to the Wrights no later than July 25, 2011.

DATED: August 1, 2011



Hon. John A. Kronstadt
United States District Court
Central District of California

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