

Before the
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC

HARD COPY

In the Matter of the Application of
POSITRON CORPORATION
For Review of Action Taken by
Financial Industry Regulatory Authority

Admin. Proc. File No. 3-15837



**POSITRON CORPORATION'S BRIEF IN SUPPORT OF APPEAL OF
THE DECISION OF FINRA UNIFORM PRACTICE CODE COMMITTEE**

Pursuant to 15 U.S.C. §78s, Positron Corporation ("Positron"), hereby submits this appeal to the United States Securities and Exchange Commission (the "Commission"), and respectfully requests that the Commission reverse the decision of the Uniform Practice Code Committee (the "Committee") of the Financial Industry Regulatory Authority ("FINRA"), dated March 27, 2014 (the "Decision"), which upheld FINRA's initial decision to deny Positron's application to (i) change its place of domicile from Texas to Delaware; and (ii) provide a 1-100 reverse stock split.

As more fully set forth below, the Committee's decision is injurious to the current shareholders of Positron as well as the investing public because Positron is now unable to utilize the benefits of being incorporated in Delaware, and the 1-100 reverse stock split would benefit the stockholders of Positron by maintaining share price so that the company's stock could remain in the same category of listings.

FINRA's decision to deny Positron's application for these routine matters because of an on-going investigation of its Chief Executive Officer, Patrick Rooney, is short-sighted and flies in the face of FINRA's purpose of protecting the investing public. In essence, FINRA is holding Positron's shareholders hostage because of an investigation of Mr. Rooney, the underlying facts of which have nothing to do with Positron.

BACKGROUND

On January 24, 2014, Positron submitted an Issuer Company-Related Action Notification Form advising FINRA of the following corporate actions: (i) a reverse stock split of Positron's common stock on the basis of 1 for 100; and (ii) a domicile change of Positron's state of incorporation from Texas to Delaware (the "Corporate Action Request"). (See Exh. A hereto). In the Company-Related Action Notification Form, Positron disclosed that the Commission had commenced a civil action against Patrick Rooney, the CEO of Positron, ("Rooney"), as well as Solaris Management, LLC ("Solaris"), alleging that Solaris' investment in Positron and Rooney's failure to sufficiently disclose his role in Positron to Solaris' investors violated certain provisions of the securities laws. Positron further disclosed that without admitting such allegations, Rooney and Solaris consented to a judgment enjoining each of them from violating certain provisions of the Investment Advisers Act 1940, the Securities Act of 1933 and the Securities Exchange Act of 1934.

FINRA's DEFICIENCY NOTICE

By letter, dated February 19, 2014, FINRA notified Positron that pursuant to FINRA Rule 6490(d), Positron's Corporate Action Request was deficient and that "it is necessary for the protection of investors, the public interest, and to maintain fair and orderly markets that documentation related to [Positron's] Company-Related Action will not be processed" (the "Deficiency Notice"). (See Exhibit B hereto). FINRA based its determination on the following:

FINRA has actual knowledge of a judgment as to Patrick G. Rooney and Solaris Management LLC in the Matter of "Securities and Exchange Commission vs. Patrick G. Rooney et al.," in the United States District Court, Northern District of Illinois, Eastern Division...

The Commission alleges that Rooney, who has been Chairman of Positron since 2004 and received salary and stock options from Positron since September 2005, misused [Solaris'] money by investing more than \$3.6 million in Positron through both private transactions and market purchases... These investments benefited Positron...

FINRA also noted in its Deficiency Notice that Rooney and Solaris did not admit or deny the Commission's allegations, and consented to the entry of an injunction prohibiting them from future violations of the securities laws cited therein.

On February 27, 2014, Positron appealed to the Committee, and a decision was issued on March 27, 2014 in which the Committee upheld the Deficiency Notice. The Committee found that "Rooney maintains a significant role within Positron Corporation and holds a substantial amount of the Company's stock. Rooney and his affiliated entities, Solaris Management and Solaris Opportunity Fund, own nearly 48 percent of Positron Corporation"; and that the "unresolved nature of the federal civil action and Commission's administrative proceeding only

serves to reinforce our concerns about permitting Positron Corporation to proceed with its requested reverse stock split and change in domicile.” (*Id.* at 4).

The fact that Rooney and/or his affiliated entities owns an interest in Positron, and that the nature of the civil action is “unresolved” should be of no moment to Positron’s domicile and a routine reverse stock split. The Committee has provided no reason and/or rational basis in fact and/or law as to why Rooney’s civil action has any bearing on where Positron is domiciled and/or how the reverse stock split will have any duplicitous effect on Positron’s shareholders or the investing public.

BASIS FOR APPEAL

I. The Decision Fails to Protect Shareholders and Investors

Despite its articulated rationale for the Decision, FINRA’s refusal to process Positron’s Corporate Action Request is not necessary for the protection of investors, the public interest or to maintain fair and orderly markets. To the contrary, Positron’s request to change its domicile from Texas to Delaware and to effectuate a 1-100 reverse stock split are routine actions specifically designed to benefit the stockholders of Positron and the investing public, as well as contribute to the maintenance of fair and orderly markets. FINRA’s issuance of the Deficiency Notice and subsequent Decision of the Committee appear to be attempts to punish Rooney and/or Solaris and is detrimental to the interests of Positron’s shareholders and the investing public. Because the Committee’s Decision fails to further the very mission for which FINRA was formed and is antithetic to the protection of Positron’s shareholders and the investing public, it should be reversed.

With regard to Positron’s request to change its domicile from Texas to Delaware, it is well known that Delaware is the “corporate capital” of the world. It is the state of incorporation for more than 60% of the Fortune 500 companies and for more than half of all companies whose stock is traded on the New York Stock Exchange and NASDAQ. Delaware is the preferred jurisdiction for incorporation because of its highly regarded court system which is uniquely qualified to govern corporate disputes. Unlike Texas, the Delaware Constitution preserves the historic divide between law and equity. Issues of law are heard by the Delaware Superior Court, while issues of equity are heard by the Delaware Court of Chancery. Delaware’s Chancery Court offers litigants a forum with an extensive and well-developed corporate jurisprudence that creates predictability and expediency in adjudication. Corporate disputes are decided by expert judges, rather than juries, “to provide boards of directors with clear guidance on how to act with due care, loyalty, and good faith in making business decisions in the best interests of Delaware Corporations and their shareholders.”¹ Moreover, Delaware statutes and regulations are favorable to corporations and their shareholders and provide sophisticated and regularly applied rules and structure to meet the evolving needs of businesses and their investors.

¹ See, *Malone v. Brincat*, 722 A.2d 5, 10 (Del. 1998) (“This Court has endeavored to provide directors with clear signal beacons and brightly lined-channel markers as they navigate with due care, good faith and loyalty on behalf of a Delaware corporation and its shareholders”).

Therefore, Positron's request to change its domicile from Texas to Delaware is clearly advantageous to its shareholders, and the effort by FINRA to prevent that change is unwarranted and harmful to the very investors whose mission it is to protect.

Positron's request for a 1-100 reverse stock split (the "Split") is also in the best interest of Positron's shareholders and the investing public. The Split, along with a greatly improved capitalization structure, would raise the per-share market price of Positron's Common Stock and thereby improve the market perception of Positron and enhance its ability to execute its business objectives, including raising additional capital, if necessary. Many institutional investors have policies prohibiting them from holding lower-priced stocks in their portfolios, which reduces the number of potential buyers of Positron's Common Stock. Additionally, analysts at many brokerage firms are reluctant to recommend lower-priced stocks to their clients or monitor the activity of lower-priced stocks. Brokerage houses also frequently have internal practices and policies that discourage individual brokers from dealing in lower-priced stocks due to, among other reasons, the trading volatility often associated with lower-priced stocks. Positron's shareholders have advised us that these policies and practices may function to make the processing of trades in low-priced stocks, such as Positron's, economically unattractive to brokers. Further, because brokers' commissions on lower-priced stock generally represent a higher percentage of the stock price than commissions on higher priced stock, investors in lower-priced stocks pay transaction costs which are a higher percentage of their total share value, and thereby limit the willingness of individual investors and institutions to purchase shares of Positron's Common Stock. The anticipated increase in the per share price of the Positron's Common Stock as a result of the Split would enhance the acceptability and marketability of the shares of Positron's Common Stock to these important market participants.

Further, effective May 1, 2014, OTC Markets, the largest trading platform for non-listed securities, implemented a new listing standard where publicly traded companies which were listed on the more prestigious OTCQB Market Place would be downgraded to the Pink Sheets tier if they could not meet the minimum bid price of \$0.01 per share. Had FINRA allowed Positron to effectuate the reverse split, the bid price on May 1, 2014 would have been \$0.63, well within the required bid price for the OTCQB. However, solely as a result of FINRA's declination, the stock is currently traded on the Pink Sheets. The OTC Markets itself states that "the Market Place on which a company trades reflects the integrity of its operations, its level of disclosure and its degree of investor involvement". As a fully reporting company with the Commission, Positron would have qualified to remain of the OTCQB tier on May 1, 2014, had FINRA not denied the Split. Again, it is an anathema for FINRA to state it is acting in the best interest of the investing public when all it seems all its actions have harmed Positron and its shareholders.

The improved market perception of Positron's Common Stock, along with the improved capital structure would increase Positron's credibility in dealing with the governmental authorities, institutions and facilities involved in the nuclear medicine industry. As you can see from the attached, sworn statement of Mr. Rooney (See Exh. C hereto.), the current price and

capital structure of Positron pose many difficulties to Positron in dealing with these world-class partners.

When the Commission approved Rule 6490 as a final rule on July 1, 2010 (SEC Release No. 34-62434), it cited that certain actors had been using FINRA's Company Related Action to have "usurped the identity of a defunct or inactive publicly traded corporation...based on the apparently false representation that they were duly authorized officers, directors and /or agents of the original publicly traded corporation" quoting Commission order of suspension of Trading in the matter of Andros Isle, Corporation, *et.al.*, dated March 13, 2008 (file No. 500-1) where the Commission suspended trading of twenty-six (26) Pink Sheet companies under section 12(k) for such activities. This type of fraudulent activity, fraud in connection with the request of the Corporation Action, was clearly the type of fraud the Commission was concerned with in approving Rule 6490. Later in the July 1, 2010 Release, in discussing what would be factors in determining whether a notice would be deficient, and specifically referring to Rule 6490(d)(3)(3), the standard FINRA applied to Positron, the Commission stated, "According to FINRA, this factor would include instances when FINRA has actual knowledge of a commission order pursuant to 12(k) of the Act". This was the only type of fraudulent activity, specifically or generally, the Commission identified in the release approving Rule 6490. The Commission did not approval the Rule to create fishing expeditions for FINRA. Regardless of the course of Mr. Rooney's pending action, concerning his management of Solaris, there has never been even an inference that Positron is not the Company that it represents to be

In short, the Decision, whereby the Committee upheld FINRA's refusal to process Positron's request for a domicile change to Delaware and the Split, is not only unnecessary to protect shareholders and the investing public, but is detrimental to those interests. FINRA's mission is not to punish directors and officers who may be accused of wrongdoing (with or without basis), but to enhance the benefit to investors of corporate decisions. FINRA is attempting to legislate through the back door what it could through the front door - oversight over the regulation of a company's officers and directors. The Decision and earlier Deficiency Notice issued herein fail to further that mission, are harmful to shareholders and investors, and should be reversed.

II. The Pending Commission Action Does Not Name Positron

The Decision should be reversed for the additional reason that the pending Commission action does not name Positron, or concern Rooney's role with Positron. Rooney is the Managing Director of Solaris Opportunity Fund L.P. As indicated above, on November 18, 2011, the Commission commenced an action against Rooney and Solaris (the General Partner of Solaris Opportunity Fund L.P.), alleging certain violations of the Investment Advisers Act, the Securities Act and the Securities Exchange Act. The Commission's allegations relate solely to Rooney's role with Solaris. The Commission did not allege any misconduct concerning Rooney's role with Positron or name Positron itself in its action.

What also seems to be irrelevant to FINRA is that these actions were approved by Positron's Board of Directors and a super-majority of Positron's voting capital stock. Unlike most jurisdictions, such as Delaware, to effectuate the change of domicile in connection with the Split, a vote in excess of two-thirds of the outstanding capital stock of Positron was required in accordance with Texas law. The actions were approved by a super-majority of Positron's voting capital stock. FINRA's Deficiency Notice disregards this in its entirety.

Although FINRA Rule 6490(d)(3)(3) does not indicate whether the "pending, adjudicated or settled regulatory action" must be related to the corporation which issued the Corporate Action Request," it seems extraordinary, if not arbitrary and capricious, for FINRA to deny Positron's Corporate Action Request not only where the proposed actions are beneficial to Positron's shareholders and the investing public, but where the denial, which is detrimental to Positron's shareholders is based upon alleged misconduct involving a different entity.

III. Conclusion

For all of the foregoing reasons, as well as any additional documentation to be supplied before a hearing on this matter, it is requested that the Decision be reversed and that Positron's Corporate Action Request be processed in due course.

Dated: June 5, 2014

Respectfully submitted,

KANE/KESSLER, P.C.

By: 

Peter Campitiello

(Attorneys for Positron Corporation)

1350 Avenue of the Americas

New York, New York 10019

Telephone (212) 519-5109

Faxsimile (212) 245-3009

EXHIBIT A

✓ Your form has been submitted to FINRA. If there is a fee applicable to your Company-Related Action, please click the Proceed to Pay Online button to submit payment and complete the submission of your Company-Related Action Notification Form.

Filing ID 2302983

Submitted Date 1/24/2014 5:49 PM

Payment Status: Accepted

Date Payment Submitted: 2014-01-27 10:47:44

Payment Information

Total Fees Owed: 200

Name Peter

Company Information

Review the Form Instructions prior to completing the form.

Company Name * Positron Corporation

Company Address

Street 1 * [Redacted]

Street 2 [Redacted]

Street 3 [Redacted]

Country * United States of America

City * Westmont State/Province * Illinois Zip/Postal Code * [Redacted]

Telephone * [Redacted] Facsimile [Redacted] Website www.positron.com

Is Company required to file reports pursuant Section 13 or 15(d) of the Exchange Act? * Yes No

Provide SEC CIK # * [Redacted]

Is the Company a bank or savings association that files periodic reports with its appropriate Federal banking agency or State bank supervisor (as defined in U.S.C. 1813)? * Yes No

Country of Incorporation * United States of America State of Incorporation * Texas Date of Incorporation or Re-Incorporation * 12/20/1983

Is the Company in "Good Standing" in its state of Incorporation? * Yes No

Contact Information

All Communications regarding this Company-Related Action will be addressed to the contact provided below.

First Name * Peter Last Name * Campitiello Title [Redacted]

Is Contact Firm Name different from Company Name? * Yes No

Name of Firm * Kane Kessler, P.C.

Is Contact Address different from Company Address? * Yes No

Address (if different from Company)

Street 1 *

Street 2

Street 3

Country *
United States of America

City * State/Province * Zip/Postal Code *

Telephone * Facsimile Email *

Affiliation with company *
Attorney

Company Officers and Directors

First Name *	Last Name *	Title *
<input type="text" value="Patrick"/>	<input type="text" value="Rooney"/>	<input type="text" value="C.E.O., Chairman"/>
Date of Appointment * <input type="text" value="07/26/2004"/>		
Delete		

First Name *	Last Name *	Title *
<input type="text" value="Joseph"/>	<input type="text" value="Oliverio"/>	<input type="text" value="President, C.T.O., Director"/>
Date of Appointment * <input type="text" value="05/14/2009"/>		
Delete		

First Name *	Last Name *	Title *
<input type="text" value="Corey"/>	<input type="text" value="Conn"/>	<input type="text" value="C.F.O., Director"/>
Date of Appointment * <input type="text" value="01/02/2005"/>		
Delete		

First Name *	Last Name *	Title *
<input type="text" value="Sachio"/>	<input type="text" value="Okamura"/>	<input type="text" value="Director"/>
Date of Appointment * <input type="text" value="04/01/2001"/>		
Delete		

First Name *	Last Name *	Title *
<input type="text" value="Anthony"/>	<input type="text" value="Nicholls"/>	<input type="text" value="Director"/>
Date of Appointment * <input type="text" value="01/02/2005"/>		
Delete		

Add another

Are any of the Officers, Directors, or parties related to the company and/or company-related action the subject of pending, adjudicated or settled regulatory action or investigation by a federal, state or foreign regulatory agency or self-regulatory organization; or a civil or criminal action related to fraud or securities laws violations?

* Yes No

Please provide a detailed explanation *

The S.E.C. commenced a civil action against Mr. Rooney and Solaris Management, LLC. alleging Solaris' investment concentration in Positron was a misuse of Solaris' funds and that Rooney failed to sufficiently disclose his role in Positron to Solaris investors. Without admitting or denying the Commission's allegations, Mr. Rooney accepted a permanent injunction from violations of certain provisions of the securities laws. The issue of damages will be determined by the Court at a later date.

Transfer Agency Contact Information

Transfer Agency Contact Information

Transfer Agency *

Agency Representative First Name * Agency Representative Last Name *

Email *

Address

Street 1 *

Street 2

Street 3

Country *
United States of America

City * State/Province * Zip/Postal Code *

Telephone * Facsimile Website

Date of Appointment *

Is this the transfer agency listed above the same Transfer Agency that will process this corporate action? * Yes No

Does the Transfer Agency have a Co-Agent relationship with another Transfer Agency? * Yes No

FINRA Rule 6490 Fee Schedule

SEA Rule 10b-17 Action	Fee Rule	Fee
Timely SEA Rule 10b-17 Notification	Notice Submitted at least 10 calendar days prior to corporate action date	200
Late (5 days prior) SEA Rule 10b-17 Notification	Notice Submitted at least 5 calendar days prior to corporate action date	1000
Late (1 day prior) SEA Rule 10b-17 Notification	Notice Submitted at least 1 calendar days prior to corporate action date	2000
Late (0 days prior) SEA Rule 10b-17 Notification	Notice Submitted on or after corporate action date	5000

Other Company-Related Action	Fee
Voluntary Symbol Request Change	500
Initial Symbol Set Up	
Symbol Deletion	

Appeals	Fee
Action Determination Appeal Fee	4000

Transaction Options

Issuer Security Information

Current Issue Symbol * Current CUSIP * New CUSIP (if applicable)

Security Type *
Common Stock

Security Description

Does this issue trade on foreign exchange? * Yes No

Are you aware of any current trading or clearing restriction by any exchange, government agency, self-regulatory organization of clearing organization imposed on the company's shares? * Yes No

Please check all corporate actions that apply. Additionally please see Sections entitled 'FINRA Rule 6490 Fee Schedule' and 'Required Documentation' for applicable fees and list of documents.

Transaction Options *

- Stock Split Spin-off Dividend/Distribution
- Merger/Acquisition Domicile Change Redemption
- Name Change Rights Offering Bankruptcy
- Liquidation Other OTC Voluntary Symbol Request Change

Stock Split

Type of Stock Split *

- Forward Split
- Reverse Split
- Reverse Followed by a Forward Stock Split with a Mandatory Cash Out

Stock Split ratio * for *

Effective Date *	Declaration Date	Record Date	Payment/Distribution Date	Date Available for Delivery *
<input type="text" value="02/04/2014"/>	<input type="text" value="01/27/2014"/>	<input type="text" value="01/27/2014"/>	<input type="text" value="02/04/2014"/>	<input type="text" value="02/04/2014"/>

Total Shares outstanding prior to Split * As of Date *

Number of shares being cancelled *

Total shares outstanding after Split *

Method of settling fractional shares *

Does Transfer Agency have certificates for Distribution * Yes No

Percentage Available for Distribution *

Domicile Change

New Country of Incorporation *	New State of incorporation *	Date of Incorporation *
<input type="text" value="United States of America"/>	<input type="text" value="Delaware"/>	<input type="text" value="01/28/2014"/>

Documentation

Required Documentation

The following documentation is required to be submitted for the requested corporate action. If the Company is an SEC reporting company and the Company has filed the required documents with the SEC, the Company can provide, in lieu of the required documents listed below, the SEC filing type (i.e., 8K, 10K, etc.) and the date of the filing of each document.

Attach Executed and notarized copy of the Board of Directors Resolutions or notarized officer's certificate authorizing the requested corporate action.

Attached Documents:

1. [Positron Corporation DEF 14C.pdf](#) [Size: 544575; Status: Completed] -- Definitive Information Statement

Attach Notarized and executed shareholder approval authorizing the requested corporate action or notarized officer's certificate indicating shareholder approval of requested corporate action. If issuer's state of domicile does not require shareholder approval for requested corporate action, please provide specific state law that states the item is not required.

Attached Documents:

1. [Positron Corporation DEF 14C.pdf](#) [Size: 544575; Status: Completed] -- Definitive Information Statement

Attach Notarized and executed shareholder approval authorizing the requested corporate action. If not required, please provide specific state law why the item is not required. (This may be submitted in the form of a notarized officer's certificate.)

Attached Documents:

1. [Positron Corporation DEF 14C.pdf](#) [Size: 544575; Status: Completed] -- Definitive Information Statement

Attach File stamped Articles of Incorporation from the time the company began using its current name.

Attach File stamped Articles of Amendment citing the split. If no amendment is required, please provide specific state law that states the item is not required.

Attach Letter providing a full corporate history beginning at the original date of incorporation including all corporate changes, but not limited to, changes of control, reverse mergers, name changes, share exchanges, purchase agreements, etc. that have occurred until present day.

Attach CUSIP confirmation from the CUSIP Service Bureau (212-438-6565 or www.cusip.com) indicating the current status of the CUSIP for the Issue(s), if applicable. **Please note:** current CUSIP should not be suspended until shortly before requested corporate action is announced.

Attach CUSIP confirmation from the CUSIP Service Bureau (212-438-6565 or www.cusip.com) indicating the current status of the CUSIP for the Issue(s). **Please note:** current CUSIP should not be suspended until shortly before requested corporate action is announced. New CUSIP is not required for forward split **mailed directly to shareholders.**

Attach Executed appointments of the current corporate officers and directors of the issuer. The appointments may be submitted as executed resolutions by the former officers appointing the new officers; filings made to the SEC; filings with the Secretary of State showing the appointment of the new officers and the resignations of the prior officers; or appointments reaffirming the officer's position within the company executed and notarized.

Attach Executed resignation from the prior corporate officers and directors of the issuer. The resignations may be submitted as executed resignation letters; filings made to the SEC; certifications from the secretary of the company certifying that the former officers of the company departed on their own accord and the departure was not followed by a change of control/corporate shell transaction; legal opinion letter, from outside counsel, certifying that the former officers of the company departed on their own accord and the departure was not followed by a change of control/corporate shell transaction which should include the details surrounding the resignations and the control was obtained in accordance with the corporation's by-laws and State and Federal securities law; or filings with the Secretary of State showing the appointment of the new officers and the resignations of the prior officers

Attach Please attach any other relevant documentation if applicable.

Reminder: Current Transfer Agent must complete and submit Transfer Agent Verification Form directly to FINRA. If date of appointment is within last six months, a letter from the previous Transfer Agent is required indicating status of book and records.

Authorization by Corporate Representative

Printed Name *

Date *

I hereby certify that the information disclosed in this Issuer Company-Related Action Notification Form is accurate and true to the best of my information, knowledge and belief, and that I have all necessary authority to submit this form on behalf of the named issuer and to respond to communications related to this form. *

Fees Owed

Please note that the actual amount due for this corporate action may change after review of the information submitted to FINRA.

Transaction Option	Fee Name	Fee
Stock split	Timely SEA Rule 10b-17 Notification	200
Domicile change		no charge

Total Fees Owed: 200

[Glossary](#) [Sitemap](#) [Privacy](#) [Legal](#)

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EXHIBIT B



February 19, 2014

Via Electronic Mail

Patrick Rooney, CEO
Positron Corporation

██████████
Westmont, Illinois ██████████
██████████

Cc: Peter Campitiello
Kane Kessler, P.C.
1350 Avenue of the Americas
26th Floor
New York, NY 10019
pcampitiello@kanekessler.com
212-519-5109

**Re: Deficiency Notice Pursuant to FINRA Rule 6490
Positron Corporation – Case No. CAS-26159-X0T4V8
Company-Related Notification Relating to Proposed 1-100 Reverse Split and Domicile
Change from Texas to Delaware**

Dear Mr. Rooney,

Pursuant to FINRA Rule 6490, FINRA's Department of Market Operations ("Department") received your request to process documentation related to the above-referenced Company-Related Action for Positron Corporation (POSC). This letter hereby notifies you that pursuant to FINRA Rule 6490(d), the Department has determined that such request is deficient and it is necessary for the protection of investors, the public interest, and to maintain fair and orderly markets that documentation related to the above-referenced Company-Related Action will not be processed.

The Department's deficiency determination is based on the following factors:

1. As set forth in FINRA Rule 6490(d)(3)(3), FINRA has actual knowledge that the issuer, associated persons, officers, directors, transfer agent, legal adviser, promoters or other persons connected to the issuer or the Securities Exchange Act ("SEA") Rule 10b-17 Action or Other Company-Related Action are the subject of a pending, adjudicated or settled regulatory action or investigation by a federal, state or foreign regulatory agency, or a self-regulatory organization; or a civil or criminal action related to fraud or securities laws violations. Specifically:
 - FINRA has actual knowledge of a judgment as to Patrick G. Rooney and Solaris

Management, LLC in the Matter of "Securities and Exchange Commission vs. Patrick G. Rooney, et al", in the United States District Court, Northern District of Illinois, Eastern Division. See the Final Judgment filed December 19, 2013 Case No.: 11-CV-8264.

Per the Securities and Exchange Commission ("SEC" Litigation Release No. 22895 dated December 23, 2013, an order of permanent injunctions was entered against Patrick G. Rooney (Rooney) and his company Solaris Management, LLC (Solaris). According to the SEC's complaint filed on November 16, 2011, Rooney and Solaris radically changed the investment strategy of the Solaris Opportunity Fund LP (the Fund), contrary to the Fund's offering documents and marketing materials, by becoming wholly invested in Positron Corp. (Positron), a financially troubled microcap company. The SEC alleges that Rooney, who has been Chairman of Positron since 2004 and received salary and stock options from Positron since September 2005, misused the Fund's money by investing more than \$3.6 million in Positron through both private transactions and market purchases. Although Rooney finally told investors about the Positron investments in a March 2009 newsletter, the SEC's complaint alleges he falsely told them he became Chairman to safeguard the Fund's investments. These investments benefited Positron and Rooney while providing the Fund with a concentrated, undiversified, and illiquid position in a cash-poor company with a lengthy track record of losses.

Without admitting or denying the Commission's allegations, Rooney and Solaris consented to the entry of permanent injunctions which enjoin them from violating Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 and Rules 206(4)-8(a)(1) and (a)(2) thereunder; Section 17(a) of the Securities Act of 1933; and Sections 10(b) and 13(d)(1) of the Securities Exchange Act of 1934 and Rules 10b-5 and 13d-1 thereunder. Rooney and Solaris Management further agreed that the court would determine whether to impose penalties and disgorgement against them and whether Rooney should be prohibited from acting as an officer or director of a public company.

According to documentation provided by the company, Rooney and the Solaris Opportunity Fund maintain a majority ownership of Positron, the OTC Issuer in which they are alleged to have invested Solaris funds, each owning approximately 47.9% and 40.9% respectively of the outstanding shares of Positron.

The above settled action involving Rooney and the pending court order with respect to penalties, disgorgement, and an officer & director bar against Rooney has raised concerns for FINRA regarding the protection of investors and the transparency to the marketplace as it relates to the proposed corporate action request. As such, the Department has deemed Positron's corporate action submission to be deficient under FINRA Rule 6490(d)(3)(3).

Mr. Patrick Rooney
Positron Corporation
Case No. CAS-26159-X0T4V8
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Your Right to Appeal the Determination

As a result, the Department will cease processing documentation related to such Company-Related Action and will make no announcement on the Daily List. **Unless you request an appeal of the Department's determination in writing within seven (7) calendar days after service of this notice, your request will be closed.**

In accordance with the procedures set forth in FINRA Rule 6490, you have the right to appeal the Department's determination by submitting a written Notice of Appeal via facsimile or electronic mail, within seven (7) calendar days after service of this notice. Appeals are considered by a three-member subcommittee ("Subcommittee") comprised of current or former industry members of FINRA's Uniform Practice Code Committee. Please include your Case No. on all submissions. **The hearing request must be received by 5:00 pm Eastern Standard Time on 2/27/2014.** The Notice of Appeal must be sent to:

FINRA
Operations, 2nd Floor
9509 Key West Avenue
Rockville, MD 20850
Fax: 202-303-3938
E-mail: UPChearings@finra.org

Your written Notice of Appeal must be accompanied by proof of payment of the non-refundable Action Determination Appeal Fee of \$4,000.00 made payable to FINRA. Payment must be submitted in the following manner within seven (7) calendar days of this notice:

Bank Name: Bank of America
Bank Address: 100 West 33rd St. New York, NY 10001
ABA Number: 026009593
Account Name: FINRA Cash Concentration
Account Number: 226005684771
Swift: BOFAUS3N
RFB or OBE as follows: CAS-26159-X0T4V8

Your Notice of Appeal must set forth with specificity any and all defenses to the Department's deficiency determination. An appeal to the Subcommittee will operate to stay the processing of the Company-Related Action (i.e., the requested company-related action will not be processed during the period that the Requesting Party's appeal is pending). You may submit any additional supporting written documentation, via facsimile, electronic mail or otherwise, up until the time the appeal is considered by the Subcommittee. The Subcommittee will consider the appeal based solely on the written documents submitted by you and FINRA.

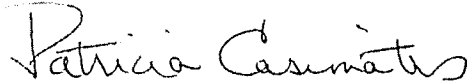
Mr. Patrick Rooney
Positron Corporation
Case No. CAS-26159-X0T4V8
Page 4 of 4

You will be notified of the date scheduled for the appeal. The Subcommittee will render a determination within three (3) business days following the day the appeal is considered by the Subcommittee. The Subcommittee's determination will constitute final action by FINRA.

If you fail to file a written request for an appeal within seven (7) calendar days after service of this notice by the Department, along with the required fees, the Department's determination shall constitute final action by FINRA.

If you have any questions, please contact FINRA Market Operations Department at 1-866-776-0800.

Very truly yours,

A handwritten signature in cursive script that reads "Patricia Casimates".

Patricia Casimates
Vice President, Market Operations

EXHIBIT G

EXHIBIT C

Positron

February 27, 2014

FINRA
Operations, 2nd Floor
9509 Key West Avenue
Rockville, Maryland 20850

Re: Request for Appeal of Deficiency Notice Pursuant to FINRA Rule 6490
Positron Corporation – Case No. CAS-26159-X0T4V8
Company – Related Notification Relating to Proposed 1-100
Reverse Split and Domicile Change from Texas to Delaware

To Whom It May Concern:

Please be advised that I am the duly-qualified Chief Executive Officer and Chairman of Positron Corporation (“Positron”). I submit this letter in support of Positron’s Notice of Appeal of FINRA’s Deficiency Notice related to Positron’s proposed 1 for 100 reverse split and domicile change from Texas to Delaware. The purpose of this letter is to demonstrate how vital the proposed 1 for 100 reverse split (the “Split”) is to Positron’s future success.

If Positron does not improve its capitalization structure through the proposed Split, we are met with a number of potentially insurmountable challenges where Positron would be required to reverse months, if not years, of preparation for a new and improved capitalization structure and company credibility. Positron would also be forced to increase the number of its authorized shares by two-fold to account for full dilution of our securities and future investor participation. This increase in authorized capitalization will bring our total to six (6) billion authorized shares; a number that is clearly extraordinary and not respectable of a growing nuclear medicine healthcare company which is perceived as the future of cardiac PET diagnostic imaging.

Our proposed reverse stock split has received tremendous positive reaction from most of the shareholders who have contacted us. Our shareholders are true stakeholders in Positron who believe in the importance of the nuclear diagnostic healthcare services we provide, services that have been impacting patients’ lives for 30 years. These shareholders also believe that our approach to offer a full solution to nuclear cardiologists and the hospitals they serve will deliver capital returns worthy of their investment.

There are many virtues that are overlooked as to the rationale of this proposed, shareholder-approved, reverse split which concern Positron’s ability to effectively operate its business and regain and retain Positron’s credibility, a company that has been the pioneer of nuclear cardiology for three decades.



530 OAKMONT LANE WESTMONT, IL 60559 PHONE: 317.576.0183 FAX: 630.537.1249 WWW.POSITRON.COM

Positron

Positron has over twenty customer sites that operate its nuclear medicine PET scanner optimized for cardiac imaging. Our customer base, consisting of some of the country's top hospitals and cardiologist practices, know Positron well and require our services. These customers are sophisticated organizations with well-educated personnel who are familiar with every aspect of our business from Key Opinion Leaders in their industry, marketing materials, and SEC filings. What seems to perplex our collaborators is they believe the share price they see is unworthy of the good and value that Positron provides. Frankly, a common reaction we receive is the thought that our company is perceived to be less valuable simply based on "old school" thoughts of penny stocks. Our 20 plus institutional PET customers, international collaborators, and Positron's 24 employees serve as evidence of both our realness and relevance.

In addition to its imaging offerings, Positron also processes and handles radioactive materials related to cardiac PET imaging. Positron's customer base and collaborators (present and future) include the world's top institutions such as: iThemba Labs of South Africa, the Institute of Nuclear Research of Russia, the U. S. Department of Energy ("DOE"), top universities and companies requiring products produced from source materials. These business "partners" clearly see our value, as Positron and the DOE are the only two US entities with Drug Master Files registered with the FDA for Strontium (a radioisotope necessary in specific cardiac PET studies). Yet we suffer a great loss of respect once they see a share price and capitalization that is unreasonable and a relic from days long ago before new management applied its new strategy to advance this Positron. A new and improved capitalization through the reverse split would allow Positron to further evolve into this new and improved operation.

As for our shareholders, Positron believes that they will see the most benefit of all. Investors new and old will see a respectable price that they can actually trade and one that can actually determine a true value worthy of basing investment decisions upon. We believe that the Split will properly reflect a capitalization structure in line with Positron's true value and more traditional cap tables of companies in similar fields.

The Split will also positively impact Positron's prospects to serve a large project for the manufacturing of radioisotopes. Our share price comes into light during presentations and under values to our achievements and credibility.

Additionally, the retention and acquisition of top personnel is more difficult with our current stock price since compensation is frequently derived, in part, from some form of equity compensation and is also a perceived sign of Positron's overall fiscal health.

Despite my settled civil action and pending final resolution with the Securities and Exchange Commission, which did not call into question my management of Positron, the Split and domicile change are clearly in the best interest of Positron and its shareholders. Additionally, the many developments I referred to above for Positron happened primarily through my direction, through my efforts and with the key acquisitions and management talent, which I retained.

One of the reasons I accepted the bifurcated settlement with the Commission, and to take a bar from (being an investment adviser) is that I am wholly-committed to Positron's success. Despite the Commission's contentions, I clearly have not enriched myself. Since, I started my management of Positron on a full-time basis, in 2009, I have worked at least 60-70 hours a week for the benefit of



Positron

Positron and earned a total of approximately \$700,000 in salary over those 5 years. In the same period, I have invested over \$3,000,000 of my own funds (not those of Solaris Opportunity Fund) into Positron. Positron fails to understand how a civil lawsuit derived from a single investor complaint regarding a different company impact the benefit of nearly 5,000 shareholders.

Again, on behalf of Positron Corporation, I respectfully request that FINRA allow Positron's appeal and process the requested corporate actions.

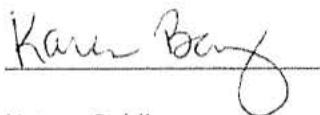
Very truly yours,



Patrick G. Rooney

Sworn to before me this

27th day of February 2014



Notary Public

