

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Christopher Krupa and Anna Krupa, (Claimants) vs. Mills Financial Services, Inc., Wilson Johnathan Rodini, Jr., Christopher Brian Pascente and Joseph Edward Kurczodyna (Respondents).

Case Number: 00-00773

Hearing Site: Denver, CO

REPRESENTATION OF PARTIES

Claimants, Christopher Krupa and Anna Krupa ("Claimants"): Richard A. Nervig, Esq.: Nervig & Vondran, LLC, Denver, Co.

Respondent, Joseph Edward Kurczodyna ("Respondent Kurczodyna"): Peter B. Shaeffer, Esq., Attorney at Law, Chicago, IL.

Respondent, Christopher Brian Pascente ("Respondent Pascente"): represented himself.

Respondent, Wilson Jonathan Rodini, Jr. ("Respondent Rodini"): represented himself.

Respondent, Mills Financial Services, Inc. ("Respondent Mills"): Peter B. Shaeffer, Esq., Attorney at Law, Chicago, IL.

CASE INFORMATION

Statement of Claim filed on or about: February 22, 2000.

Claimants Christopher and Anna Krupa, signed the Uniform Submission Agreements: February 14, 2000.

Statement of Joint Answer filed by Respondents, Mills Financial Services, Inc. and Joseph Edward Kurczodyna, on or about: April 20, 2000.

Respondent, Joseph Edward Kurczodyna, signed the Uniform Submission Agreement: April 19, 2000.

Respondent, Mills Financial Services, Inc. signed the Uniform Submission

Agreement: April 19, 2000.

Statement of Answer filed by Respondent, Christopher Brian Pascente, on or about: August 24, 2000.

Respondent, Christopher Brian Pascente, signed the Uniform Submission Agreement: March 4, 2000.

The NASD has no record of a Statement of Answer filed by Respondent, Wilson Johnathan Rondini. The NASD has no record of Respondent Wilson Johnathan Rodini's signed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: Violation of the Colorado Securities Act, Breach of Contract, Negligence and Breach of Fiduciary Duty. The causes of action relate to Respondents' alleged recommendation and sale of 2000 shares of United Financial Mortgage Corporation ("UFMC") in alleged violation of the Colorado Securities Act concerning sales of securities by unregistered salespersons and from Respondents subsequent refusal to sell shares of such securities when instructed to do so by Claimants.

Unless specifically admitted in its Joint Answer, Respondents Mills Financial Services, Inc. and Joseph E. Kurczodyna denied the allegations made in the Statement of Claim and asserted the following defenses: all defenses available pursuant to Section 11-51-604(5)(a) of the Colorado Securities Act; "respondeat superior" is not a legal theory upon which liability can be based for a statutory violation; Rondini was not a "sales representative" within the meaning of Section 11-51-201(14) of the Colorado Securities Act; Claimants have failed to mitigate damages; Claimants had no contract with Rodini; Rodini did not negligently handle Claimants' account; There was no fiduciary duty as alleged by Claimants; There is no basis for punitive damages; Claimants should be denied relief based on the equitable doctrine of unclean hands.

Unless specifically admitted in his Answer, Respondent Christopher Brian Pascente denied the allegations made in the Statement of Claim and asserted defenses including the following: That he was not involved in any way in the sales activities of UFMC; That his only conversation with Claimants was when Christopher Krupa called to complain of the sale of the securities; and that he handled this matter in a compliance mode only.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages
Punitive Damages

\$30,000
unspecified

Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified
Other Monetary/Non-Monetary Relief:	unspecified

Respondents Joseph Edward Kurczodyna and Mills Financial Services, Inc.
requested:

Other Monetary/Non-Monetary Relief	unspecified
------------------------------------	-------------

Respondent Christopher Brian Pascente requested:

Other Monetary/Non-Monetary Relief	unspecified
------------------------------------	-------------

OTHER ISSUES CONSIDERED AND DECIDED

On June 26, 2000 the Panel received Notice of the Bankruptcy Stay of all actions as to Wilson Rondini. Therefore, the panel made no further rulings as to Respondent Rondini. However, but for the bankruptcy stay, the panel would have found Respondent Rondini, in part, liable for the Claimants' losses.

Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned Arbitration Panel determined that Respondent Christopher Brian Pascente has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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 hearing, the Arbitration Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondents Mills Financial Services, Inc., Christopher Brian Pascente and Joseph E. Kurczodyna are jointly and severally liable to Claimants Christopher and Anna Kruppa for six thousand dollars (\$6,000.00) in compensatory damages;
2. That Respondents Mills Financial Services, Inc., Christopher Brian Pascente and Joseph E. Kurczodyna are jointly and severally liable to Claimants Christopher and Anna Kruppa for one thousand five hundred dollars (\$1,500.00) in attorneys fees. In making this award of attorneys fees, the panel reviewed and considered all pleadings, motions, case and statutory law, and oral arguments by the parties and find that authority exists for this

- award of attorneys fees; and
3. That any and all requests for relief not specifically awarded herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$150

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is a party and the Respondent's former firm.

Member surcharge = \$600
Pre-hearing process fee = \$1000
Hearing process fee = \$600

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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:

One (1) Pre-hearing sessions with Chairman x \$450 = \$0
Pre-hearing conference: December 29, 2000 1 session
(waived by Chairman)

One (1) Pre-hearing sessions with Panel x \$600 = \$600
Pre-hearing conference: November 9, 2000 1 session

Two (2) Hearing sessions x \$600 = \$1200
Hearing Dates: February 15, 2001 2 sessions

Total Forum Fees = \$1,800

1. The Arbitration Panel has assessed \$1,200.00 of the forum fees jointly and severally to Respondents Mills Financial Services, Inc., Christopher Brian Pascente and Joseph E. Kurczodyna.
2. The Arbitration Panel has assessed \$600 of the forum fees jointly and severally to Claimants Christopher and Anna Krupa.

Fee Summary

1. Claimants, Christopher and Anna Krupa, be and hereby are jointly and severally liable for:
Initial Filing Fee = \$150

Forum Fees	= \$600
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$750
<u>Less payments</u>	<u>= \$750</u>
Balance Due NASD Dispute Resolution, Inc.	= \$0

2. Respondent, Mills Financial Services, Inc., be and hereby is solely liable for:

Member Fees	= \$2,200
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$2,200
<u>Less payments</u>	<u>= \$0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2,200

4. Respondents, Mills Financial Services, Inc., Christopher Brian Pascente and Joseph E. Kurczodyna, be and hereby are jointly and severally liable for:

<u>Forum Fee</u>	<u>= \$1,200</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,200

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature

/s/ Samuel E. Wing

March 12, 2001

Samuel E. Wing
Public Arbitrator, Presiding Chair

Signature Date

/s/ Raymond N. Mitchel

March 12, 2001

Raymond N. Mitchel
Industry Arbitrator

Signature Date

/s/ Allan Jon Kretzmar

March 17, 2001

Allan Jon Kretzmar
Public Arbitrator

Signature Date

Forum Fees	= \$600
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$750
<u>Less payments</u>	<u>= \$750</u>
Balance Due NASD Dispute Resolution, Inc.	= \$0

2. Respondent, Mills Financial Services, Inc., be and hereby is solely liable for:

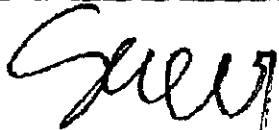
Member Fees	= \$2,200
<u>Administrative Costs</u>	<u>= \$0</u>
Total Fees	= \$2,200
<u>Less payments</u>	<u>= \$0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2,200

4. Respondents, Mills Financial Services, Inc., Christopher Brian Pascente and Joseph E. Kurczodyna, be and hereby are jointly and severally liable for:

Forum Fee	= \$1,200
Balance Due NASD Dispute Resolution, Inc.	= \$1,200

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature



Samuel E. Wing
Public Arbitrator, Presiding Chair

3-12-01

Signature Date

Raymond N. Mitchell
Industry Arbitrator

Signature Date

Allan Jon Kretzmar
Public Arbitrator

Signature Date

Forum Fees	= \$600
<u>Administrative Costs</u>	= \$0
Total Fees	= \$750
<u>Less payments</u>	= \$750
Balance Due NASD Dispute Resolution, Inc.	= \$0

2. Respondent, Mills Financial Services, Inc., be and hereby is solely liable for:

Member Fees	= \$2,200
<u>Administrative Costs</u>	= \$0
Total Fees	= \$2,200
<u>Less payments</u>	= \$0
Balance Due NASD Dispute Resolution, Inc.	= \$2,200

4. Respondents, Mills Financial Services, Inc., Christopher Brian Pascente and Joseph E. Kurczodyna, be and hereby are jointly and severally liable for:

<u>Forum Fee</u>	= \$1,200
Balance Due NASD Dispute Resolution, Inc.	= \$1,200

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature

Samuel E. Wing
Public Arbitrator, Presiding Chair

Signature Date



Raymond N. Mitchel
Industry Arbitrator

3/2/01

Signature Date

Allan Jon Kretzmar
Public Arbitrator

Signature Date

Forum Fees	= \$600
Administrative Costs	= \$0
Total Fees	= \$750
Less payments	= \$750
Balance Due NASD Dispute Resolution, Inc.	= \$0

2. Respondent, Mills Financial Services, Inc., be and hereby is solely liable for:

Member Fees	= \$2,200
Administrative Costs	= \$0
Total Fees	= \$2,200
Less payments	= \$0
Balance Due NASD Dispute Resolution, Inc.	= \$2,200

4. Respondents, Mills Financial Services, Inc., Christopher Brian Pascente and Joseph E. Kurozodyna, be and hereby are jointly and severally liable for:

Forum Fee	= \$1,200
Balance Due NASD Dispute Resolution, Inc.	= \$1,200

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signature

Samuel E. Wing
Public Arbitrator, Presiding Chair

Signature Date

Raymond N. Mitchell
Industry Arbitrator

Signature Date



Allan John Kreizma
Public Arbitrator

Signature Date