

Award  
NASD Dispute Resolution, Inc.

---

In the Matter of the Arbitration Between: Mitchel Cricchio and Sheri Cricchio and John Locke and Connie Locke v. Alan Dyckman, Northeast Securities Inc., Patrick J. Soltis, and Ronald Zajack

Case Number: 00-00907

Hearing Site: Houston, Texas

---

REPRESENTATION OF PARTIES

Claimants Mitchel and Sheri Cricchio and John and Connie Locke hereinafter collectively referred to as "Claimants": Deborah Juneck, Esq., of Gwenn & Roby, Dallas, Texas

Alan Dyckman, ("Dyckman"), and Ronald Zajack ("Zajack") were never served and did not appear at the arbitration.

Respondent Northeast Securities, Inc. hereinafter referred to as ("Northeast Securities"): Elaine Lawson, Esq. of Fulbright & Jaworski, LLP, Houston Texas.

Respondent Patrick J. Soltis: John Morgan, Esq. of Snider & Morgan LLP, Beaumont, Texas.

CASE INFORMATION

Claimants filed a Joint Statement of Claim on or about: March 8, 2000.

Claimants Mitchel and Sheri Cricchio signed the Uniform Submission Agreement: February 26, 2000.

Claimants John and Connie Locke signed the Uniform Submission Agreement on October 12, 2000.

Statement of Answer filed by Northeast Securities on or about: December 6, 2000.

Respondent Northeast Securities signed a Uniform Submission Agreement on March 14, 2000.

Respondent Dyckman did not file a Statement of Answer or sign a Uniform Submission Agreement.

Respondent Soltis filed a Statement of Answer on or about September 10, 2001.

Respondent Soltis signed a Uniform Submission Agreement on September 10, 2001.

Respondent Ronald Zajack did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: Breach of Fiduciary duty, Negligence, Gross Negligence, Failure to Supervise, Misrepresentation, and Fraud. All of these allegations relate to Claimants purchases of investments from a representative of Northeast Securities.

Unless specifically admitted in their Answer, Respondents Northeast Securities denied the allegations set forth in the Statement of Claim and asserted the following affirmative defenses: The Claimants claims are barred by the comparative responsibility of the Claimants, the doctrines of Estoppel, Waiver, Laches and the applicable Statue of Limitations. Respondents further asserted that there is no basis for Claimants to recover for such items as "liquidation of life insurance policy," "income tax paid for liquidation of life insurance policy," or "second mortgage taken on home" and that Claimants' interest calculations are excessive.

RELIEF REQUESTED

Claimants Mitchel and Sheri Cricchio requested:

Compensatory Damages	\$ 296,708.75
Punitive Damages	\$ 250,000.00
Interest	\$ Unspecified
Other Costs	\$ Unspecified

Claimants John and Connie Locke requested:

Compensatory Damages	\$ 139,592.69
Punitive Damages	\$ 100,000.00
Interest	\$ Unspecified
Other Costs	\$ Unspecified

Claimants Mitchel and Sheri Cricchio and John and Connie Locke requested:

Attorneys' Fees	\$ 224,761.35
-----------------	---------------

Respondent Northeast Securities requested that the claims against them be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

The Claimants were ordered by the Panel to show proof of service of Alan Dyckman and Ronald Zajack by January 15, 2001 or the Claims against these respondents would be dismissed. The Claimants failed to effect service upon these Respondents by the specified time period. Therefore, the Panel dismissed the claims against Alan Dyckman and Ronald Zajack.

AWARD

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

1. Respondents Patrick J. Soltis and Northeast Securities Inc., are jointly and severally liable for and shall pay to Claimants Mitchel and Sheri Cricchio the sum of \$50,000.00 in compensatory damages, plus 10% interest per annum which begins to accrue (30) thirty days from the date of service of this award until the award is paid in full.
2. Respondents Patrick J. Soltis and Northeast Securities Inc., are jointly and severally liable for and shall pay to Claimants John and Connie Locke the sum of \$30,435.64 in compensatory damages, plus 10% interest per annum which begins to accrue (30) thirty days from the date of service of this award until the award is paid in full.
3. Respondents Patrick J. Soltis and Northeast Securities Inc. are jointly and severally liable for and shall pay to Claimants Mitchel and Sheri Cricchio and John and Connie Locke the sum of \$ 4,375.00 in expert witness costs.
4. Respondents Patrick J. Soltis and Northeast Securities Inc. are jointly and severally liable and shall pay Mitchel and Sheri Cricchio the sum of \$1200.00 as reimbursement for postponement costs.
5. Respondents Patrick J. Soltis and Northeast Securities Inc. are jointly and severally liable and shall pay to Claimants, Mitchel and Sheri Cricchio, and John and Connie Locke the sum of \$375.00 as reimbursement for the initial filing fee.
6. Unless specifically enumerated herein, each party is liable for their own costs including but not limited to attorneys' fees.
7. Any relief not specifically awarded herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 375.00
--------------------------	-------------

#### 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 the Respondent's firm.

Member surcharge	= \$ 2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 3,500.00

#### Adjournment Fees

Adjournments requested during these proceedings:

April 16- 17, 2001, adjournment by all Claimants	= \$ 1,200.00 (Waived)
April 23-24, 2001, adjournment by Claimants Mitchel and Sheri Cricchio	= \$ 1,200.00

#### Forum Fees and Assessments

The panel has the authority to assess 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:

Two (2) Pre-hearing sessions with the panel x \$1200.00 = \$ 2,400.00  
Pre-hearing conferences:

October 24, 2000	1 session
November 13, 2000	1 session

Six (6) Hearing sessions x \$1,200.00 = \$ 7,200.00  
Hearing Date(s):  
September 10, 2001 2 sessions  
September 11, 2001 2 sessions  
September 12, 2001 2 sessions

---

Total Forum Fees = \$ 9,600.00

1. The panel has assessed \$ 9,600.00 of the forum fees to Respondents Northeast Securities, Inc., and Patrick J. Soltis jointly and severally.

Fee Summary

1. Claimants Mitchel and Sheri Cricchio and John and Connie Locke are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
<u>Less Payments</u>	<u>= \$ 1,575.00</u>
Balance refunded by NASD Dispute Resolution	= \$ 1,200.00
  
2. Claimants Mitchel and Sheri Cricchio are jointly and severally liable for:

Adjournment Fees	= \$ 1,200.00
<u>Less Payments</u>	<u>= \$ 1,200.00</u>
Balance due to NASD Dispute Resolution	= 00
  
3. Respondent Northeast Securities, Inc., is solely liable for:

Member Fees	= \$ 6,100.00
<u>Less Payments</u>	<u>= \$ 6,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 00
  
4. Respondents Northeast Securities, Inc. and Patrick J. Soltis are jointly and severally liable for:

Forum Fees	= \$ 9,600.00
<u>Less Payments</u>	<u>= 00</u>
Balance Due to NASD Dispute Resolution	= \$ 9,600.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

George A. Sellnau, Esq.	- Public Arbitrator, Presiding Chair
Donald K. Eckhardt, Esq.	- Public Arbitrator
Jonathan Burke Rada, CFP	- Non-Public Arbitrator

Concurring Arbitrators' Signatures

\_\_\_\_\_  
George A. Sellnau Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Donald K. Eckhardt, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Jonathan Burke Rada, CFP  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD-Dispute Resolution office use only)

Crischlo v Northstar Securities, et al  
NASD-DR # 00-00907  
p. 6 of 6

  
Donald K. Eckhardt, Esq.  
Public Arbitrator

11-5-01  
Signature Date

Jonathan Burke Rada, CFP  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD-Dispute Resolution office use only)

10/31/01 WED 11:17 FAX

NASD REGULATION

008

Cricchio v Northeast Securities, et al  
 NASD-DR # 00-00907  
 p. 5 of 6

Fee Summary:

1. Claimants Mitchel and Sheri Cricchio and John and Connie Locke are jointly and severally liable for:
 

Initial Filing Fee	= \$ 375.00
<u>Less Payments</u>	<u>= \$ 1,575.00</u>
Balance refunded by NASD Dispute Resolution	= \$ 1,200.00
  
2. Claimants Mitchel and Sheri Cricchio are jointly and severally liable for:
 

Adjournment Fees	= \$ 1,200.00
<u>Less Payments</u>	<u>= \$ 1,200.00</u>
Balance due to NASD Dispute Resolution	= 00
  
3. Respondent Northeast Securities, Inc., is solely liable for:
 

Member Fees	= \$ 6,100.00
<u>Less Payments</u>	<u>= \$ 6,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 00
  
4. Respondents Northeast Securities, Inc. and Patrick J. Soltis are jointly and severally liable for:
 

Forum Fees	= \$ 9,600.00
<u>Less Payments</u>	<u>= 00</u>
Balance Due to NASD Dispute Resolution	= \$ 9,600.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

George A. Sellnau, Esq.  
 Donald K. Eckhardt, Esq.  
 Jonathan Burke Rada, CFP

- Public Arbitrator, Presiding Chair  
 - Public Arbitrator  
 - Non-Public Arbitrator

Concurring Arbitrators' Signatures

*George A. Sellnau*

George A. Sellnau Esq.  
 Public Arbitrator, Presiding Chair

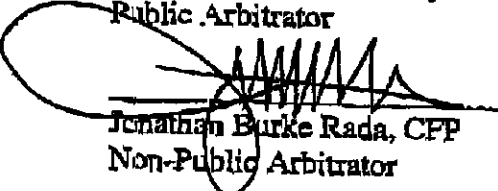
*11-5-01*

Signature Date



Criechlo v Northeast Securities, et al  
NASD-DR # 00-00907  
p. 6 of 6

Donald K. Eckhardt, Esq.  
Public Arbitrator

  
Jonathan Burke Rada, CFP  
Non-Public Arbitrator

Signature Date

11/5/01  
Signature Date

Date of Service (For NASD-Dispute Resolution office use only)