
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between: Kenneth S. Shanon, Individually and as Trustee of the Kenneth S. Shanon 1990 Trust Dated July 18, 1990, Claimant vs. Everen Securities, Inc., Joseph Dragoman, First Union Securities, Inc. and Certain Unknown Officers, Directors, Managers, Supervisors, and Controlling Persons, Respondents.

Case Number: 00-00937

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

Claimant, Kenneth S. Shanon, Individually and as Trustee of the Kenneth S. Shanon 1990 Trust Dated July 18, 1990, hereinafter referred to as "Claimant": Vincent DiCarlo, Law Office of Vincent DiCarlo, Sacramento, California.

Respondents, First Union Securities Inc. ("First Union") (f/k/a Everen Securities, Inc.) ("Everen") and Joseph Dragoman ("Dragoman"), hereinafter collectively referred to as "Respondents": Philip A. McLeod, Keesal, Young & Logan, San Francisco, California.

CASE INFORMATION

Statement of Claim filed on or about: March 2, 2000

Claimant, Kenneth S. Shanon, Individually and as Trustee of the Kenneth S. Shanon 1990 Trust Dated July 18, 1990, signed the Uniform Submission Agreement: March 2, 2000

Statement of Answer filed by Respondents, First Union Securities, Inc. (f/k/a Everen Securities, Inc.) and Joseph Dragoman, on or about: June 13, 2000

CASE SUMMARY

Claimant alleged violations of Section 10(b), Section 10(b)-5 and Section 20(a) of the Securities Exchange Act of 1934, violations of California's securities laws, breaches of fiduciary duty, common law fraud and deceit, common law negligence, misrepresentation

and failure to supervise. This claim involved so-called "junk bonds," namely bonds issued by Paging Network do Brasil and by Sharp Corporation of Japan. Claimant alleged that respondent Dragoman was a registered representative employed by Everen Securities, Inc. and that Everen Securities, Inc. is now known as First Union Securities, Inc.

Respondents denied all allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant initially requested compensatory damages to be determined at the time of the hearing, but not less than \$115,000.00. Claimant also requested punitive and exemplary damages and reimbursement for attorney fees and all costs associated with this arbitration. At the hearing, Claimant presented \$396,761.00 as his total damages.

Respondents requested that the Statement of Claim be dismissed with prejudice and for an order expunging the filing of this claim from the CRD of Respondent Joseph Dragoman.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents First Union Securities, Inc. (f/k/a Everen Securities, Inc.) and Joseph Dragoman did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Arbitration Panel on all issues submitted.

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. Respondents First Union Securities, Inc. (f/k/a Everen Securities, Inc.) and Joseph Dragoman are jointly and severally liable for and shall pay to Kenneth S. Shannon compensatory damages in the amount of \$90,000.00.
2. Respondents and Claimant shall each bear their own costs, including but not limited to attorneys fees and all other costs associated with this arbitration and not

covered in other sections of this award.

3. Any and all relief not specifically addressed 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	= \$300.00
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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. In this matter, the member firm is First Union Securities, Inc. (f/k/a Everen Securities, Inc.).

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Total Member Fees	= \$ 4,600.00
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Forum Fees and Assessments

The arbitration panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

(1) Pre-hearing session with Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: December 5, 2000 1 session	

(5) Hearing sessions @ \$1,125.00/session	= \$ 5,625.00
Hearing Dates: May 1, 2001 2 sessions	
May 2, 2001 2 sessions	
May 3, 2001 1 session	

Total Forum Fees	= \$ 6,750.00
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The arbitration panel has assessed \$6,750.00 of the forum fees jointly and severally to Respondents First Union Securities, Inc. (f/k/a Everen Securities, Inc.) and Joseph Dragoman.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

Claimant requested additional copies of arbitrator awards: =\$ 70.00

Fee Summary

1. Claimant Kenneth S. Shannon is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Administrative Costs</u>	= \$ 70.00
Total	= \$ 370.00
<u>Less payments</u>	= \$ (1,495.00)
Refund Due Claimant	= \$ (1,125.00)

2. Respondent First Union Securities, Inc. (f/k/a Everen Securities, Inc.) is charged with the following fees and costs:

Member Fees	= \$ 4,600.00
<u>Less payments</u>	= \$ (4,600.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

4. Respondents, First Union Securities, Inc. (f/k/a Everen Securities, Inc.) and Joseph Dragoman, are charged jointly and severally with the following fees :

<u>Forum Fees</u>	= \$ 6,750.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,750.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Bruce T. Mitchell, Esq.	-	Public-Arbitrator, Presiding Chair
A. Bruce McKenzie	-	Public Arbitrator
Michael Garcia	-	Non-Public Arbitrator

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Arbitration No. 00-00937
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Concurring Arbitrators' Signature(s)



Bruce T. Mitchell, Esq.
Public Arbitrator, Presiding Chair

29 May 2001
Signature Date

A. Bruce McKenzie
Public Arbitrator

Signature Date

Michael Garcia
Non-Public Arbitrator
Date Served:

Signature Date

JUN 04 2001

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

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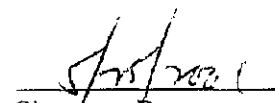
Concurring Arbitrators' Signature(s)

Bruce T. Mitchell, Esq.
Public Arbitrator, Presiding Chair

Signature Date



A. Bruce McKenzie
Public Arbitrator



Signature Date

Michael Garcia
Non-Public Arbitrator
Date Served:

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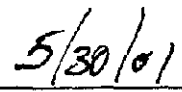
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