

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Estate of Marie Wise (Claimant) v. Michael W. Patterson, Andrew M. Ankrim and Eric L. Puffenberger (Respondents).

Case Number: 00-03319

Hearing Site: Cleveland, Ohio.

REPRESENTATION OF PARTIES

Charles M. Murray, Esquire, of Murray and Murray Co., LPA, Sandusky, Ohio, represented Claimant, the Estate of Marie Wise ("Wise").

Earle R. Frost, Jr., Esquire, of Frost & Danchak, Columbus, Ohio, represented Respondent Erik L. Puffenberger ("Puffenberger").

Michael P. Vasko, Esquire, Canal Winchester, Ohio, represented Respondent Andrew M. Ankrim ("Ankrim").

Respondent Michael W. Patterson ("Patterson") was not represented by counsel and did not appear at the hearing.

CASE INFORMATION

The Statement of Claim was filed on or about August 8, 2000.

Thomas L. Wise, Executor for the Estate of Marie Wise, signed the Uniform Submission Agreement on Claimant's behalf on August 1, 2000.

Respondent Puffenberger filed his Statement of Answer and Motion to Dismiss on or about October 5, 2000.

Respondent Puffenberger signed the Uniform Submission Agreement on September 26, 2000.

Respondent Ankrim filed his Statement of Answer on or about October 5, 2000.

Respondent Ankrim signed the Uniform Submission Agreement on September 22, 2000.

Respondent Patterson filed his Statement of Answer on or about October 5, 2000.

Respondent Patterson signed the Uniform Submission Agreement on October 4, 2000.

CASE SUMMARY

In its Statement of Claim, Claimant asserted the following causes of action: Breach of Contract, Negligence, Suitability, Unauthorized Trading and Failure to Supervise. These allegations involved the following securities: Certificates of Deposit and FHLMC REMIC.

Unless otherwise stated in his Statement of Answer, Respondent Puffenberger denied the allegations made against him and asserted the following affirmative defenses: Failure to State a Claim with Sufficient Specificity and Failure to State a Claim Upon Which Relief May Be Granted.

Unless otherwise stated in his Statement of Answer, Respondent Ankrim denied the allegations made against him.

Unless otherwise stated in his Statement of Answer, Respondent Patterson denied the allegations made against him.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$234,132.46
Punitive Damages	\$166,125.46
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified

Each Respondent requested that any and all claims against him be denied.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Michael W. Patterson did not appear at the hearing. Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned arbitrators "Panel" determined that Respondent Michael W. Patterson had been properly served with the Statement of Claim and received due notice of the hearing, and having filed a Statement of Answer and a Uniform Submission Agreement, that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Puffenberger filed a Motion to Dismiss on September 26, 2000, which was denied by the undersigned arbitration panel prior to the hearing.

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, Andrew M. Ankrum and Michael W. Patterson, are jointly and severally liable for and shall pay to Claimant, the Estate of Marie Wise, the sum of \$68,007.00 (Sixty-eight Thousand Seven Dollars and No Cents) as Compensatory Damages.
2. Respondent Michael W. Patterson is solely liable for and shall pay to Claimant, the Estate of Marie Wise, the sum of \$222,510.72 (Two Hundred Twenty-two Thousand Five Hundred Ten Dollars and Seventy-two Cents) as Compensatory Damages.
3. Respondent Michael W. Patterson is solely liable for and shall pay to Claimant, the Estate of Marie Wise, the sum of \$166,125.46 (One Hundred Sixty-six Thousand One Hundred Twenty-five Dollars and Forty-six Cents) as Punitive Damages. The undersigned Panel finds that it is granted the authority to award punitive damages by the following cases: Miley v. Oppenheimer & Co., 637 F. 2nd 318 (5th Cir. 1981); Hatrock v. Edward Jones & Co., 750 F. 2nd 767 (9th Cir. 1984); Aldrich v. Thomson McKinnon Securities, 589 F. Supp. 683 (SDNY 1984), affirmed 756 F. 2nd 243 (2nd Cir.).
4. All relief requested against Respondent Eric L. Puffenberger is hereby denied.
5. Except as otherwise specified herein, each party shall bear its own costs and attorney's fees.
6. 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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The Panel directs Respondents Andrew M. Ankrim and Michael W. Patterson, jointly and severally, to reimburse Claimant's filing fee directly to Claimant.

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm that employed the associated persons at the time of the events giving rise to the dispute was Gunnallen Financial, Inc.

Member surcharge	= \$1,500.00
Pre-hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$2,500.00

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:

One (1) Pre-hearing session with Panel x \$1,125	= \$1,125.00
Pre-hearing conference: February 21, 2001	1 session

Two (2) Hearing sessions x \$1,125.00	= \$2,250.00
Hearing Date: June 4, 2001	2 sessions

Total Forum Fees	= \$3,375.00
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The panel has assessed the forum fees jointly and severally to Respondents Andrew M. Ankrim and Michael W. Patterson.

Fee Summary

1. Claimant, Estate of Marie Wise is solely liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution, Inc.	= \$(1,125.00)

NASD Dispute Resolution, Inc. will refund this \$1,125.00 to Claimant. Additionally, Respondents Ankrim and Patterson will reimburse Claimant for the \$300.00 Initial Filing Fee.

2. Gunnallen Financial, Inc., be and hereby is solely liable for:

Member Fees	= \$ 4,600.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 665.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,935.00

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3. Respondents, Andrew M. Ankrum and Michael W. Patterson, be and hereby are jointly and severally liable for:


Forum Fees	= \$ 3,375.00
Total Fees	= \$ 3,375.00
Less payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,375.00

With the noted exception of the Initial Filing Fee reimbursement, payable directly to Claimant, all balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Howard M. Groedel, Esq.	-	Public Arbitrator, Presiding Chair
Bert Cliff, Esq.	-	Non-Public Arbitrator, Panelist
Arthur S. Leb, Esq.	-	Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Howard M. Groedel, Esq.
Public Arbitrator, Presiding Chair

August 3, 2001
Signature Date

Bert Cliff, Esq.
Non-Public Arbitrator, Panelist

Signature Date

Arthur S. Leb, Esq.
Public Arbitrator, Panelist

Signature Date

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

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Attn: Jeffrey Dean

3. Respondents, Andrew M. Ankrim and Michael W. Patterson, be and hereby are jointly and severally liable for:

Forum Fees	= \$ 3,375.00
Total Fees	= \$ 3,375.00
Less payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,375.00

With the noted exception of the Initial Filing Fee reimbursement, payable directly to Claimant, all balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

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Bert Cliff, Esq.	-	Non-Public Arbitrator, Panelist
Arthur S. Leb, Esq.	-	Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Howard M. Groedel, Esq.
Public Arbitrator, Presiding Chair

Bert Cliff, Esq.
Non-Public Arbitrator, Panelist

Arthur S. Leb, Esq.
Public Arbitrator, Panelist

Signature Date

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FAX 312-236-9239

NASD Dispute Resolution, Inc.
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3. Respondents, Andrew M. Ankrim and Michael W. Patterson, be and hereby are jointly and severally liable for:

Forum Fees	= \$ 3,375.00
Total Fees	= \$ 3,375.00
Less payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,375.00

With the noted exception of the Initial Filing Fee reimbursement, payable directly to Claimant, all balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Howard M. Groedel, Esq.	-	Public Arbitrator, Presiding Chair
Bert Cliff, Esq.	-	Non-Public Arbitrator, Panelist
Arthur S. Leb, Esq.	-	Public Arbitrator, Panelist

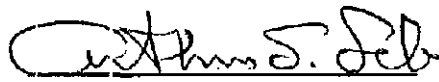
Concurring Arbitrators' Signatures

Howard M. Groedel, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Bert Cliff, Esq.
Non-Public Arbitrator, Panelist

Signature Date



Arthur S. Leb, Esq.
Public Arbitrator, Panelist

July 27, 2001
Signature Date

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