
Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Paul and Jean-Marie Kolaric,
Claimants

Vs.

McDonald & Company Securities, Inc., and
First Union Securities, Inc.,
Respondents

Case Number: 00-03566

Hearing Site: Cleveland, Ohio

REPRESENTATION OF PARTIES

Claimants, Paul and Jean-Marie Kolaric ("Kolaric"), hereinafter collectively referred to as "Claimants", appeared Pro Se.

Respondent, McDonald & Company Securities, Inc. ("McDonald"), was represented by Kathryn Miley, Esq., of Wilkerson & Associates Co., LPA, Cleveland, Ohio.

Respondent, First Union Securities, Inc. ("First Union"), was represented by James Vollins, Esq., of First Union Corporation, Charlotte, North Carolina.

CASE INFORMATION

The Statement of Claim was filed on or about August 25, 2000.

* Claimants, Paul and Jean-Marie Kolaric, signed the Uniform Submission Agreement on August 10, 2000.

Respondent McDonald filed a Statement of Answer on or about October 30, 2000. Kathryn M. Miley, on behalf of Respondent McDonald, signed the Uniform Submission Agreement on or about October 16, 2000.

Respondent First Union filed a Statement of Answer on or about November 27, 2000. Patrick M. Dennis, on behalf of Respondent First Union, signed the Uniform Submission Agreement on August 30, 2000.

CASE SUMMARY

Claimants asserted the following causes of action: Breach of Contract, Failure to Execute, Breach of Fiduciary Duty, Misrepresentations, and Omission of Facts. These causes of action relate to transactions involving Grand Prix Funds, Inc. Equity Fund shares.

Except as otherwise stated in its Answer, Respondent McDonald denied the allegations set forth in the Statement of Claim.

Except as otherwise stated in its Answer, Respondent First Union denied the allegations set forth in the Statement of Claim.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 8,816.48
Punitive Damages	\$ 10,000.00
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified

Each Respondent requested that the claims against it be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent First Union's Post-hearing Motion to Supplement the Record With New Evidence was denied by the undersigned Presiding Chair on May 14, 2001. All parties acknowledged a full and fair opportunity to be heard at the hearing. The Award is based on the pleadings and the evidence and testimony presented at 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, McDonald & Company Securities, Inc. and First Union Securities, Inc., are liable for and shall pay to Claimants, Paul I. and Jean-Marie L. Kolaric, the sum of \$8,816.48 (Eight Thousand Eight Hundred Sixteen Dollars and Forty-eight Cents) in Compensatory Damages. Each Respondent shall be solely liable for 50% (Fifty Percent) of this total, in the amount of \$4,408.24 (Four Thousand Four Hundred Eight Dollars and Twenty-four Cents) each.

2. Interest on the Compensatory Damages awarded in Paragraph 1 above shall accrue at the rate of 10% per annum from April 3, 2000 until the date of service of this Award.
3. Except as specified otherwise herein, each party shall bear its own costs and attorney's fees.
4. Any and all relief not specifically addressed herein, (including punitive [treble] damages), 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 = \$125

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 firms are McDonald & Company Securities, Inc. and First Union Securities, Inc.:

Member surcharges = \$400 each

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 a single arbitrator x \$450 = \$ 450.00
Pre-hearing conference: February 23, 2000 1 session

Two (2) Hearing sessions x \$450 = \$ 900.00
Hearing Date: April 9, 2001 2 sessions

Total Forum Fees = \$1,350.00

Claimants, Paul I. and Jean-Marie L. Kolaric, shall jointly bear the cost of one-half (1/2) of the forum fees incurred in this arbitration.

Respondents McDonald and First Union shall jointly and severally bear the cost of one-half (1/2) of the forum fees incurred in this arbitration.

FEE SUMMARY

1. Claimants, Paul I. and Jean-Marie L. Kolaric, are jointly and severally liable for:

Forum Fees	= \$ 675.00
<u>Initial Filing Fee</u>	= \$ 125.00
Total Fees	= \$ 800.00
<u>Less payments</u>	= \$ 575.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 225.00

2. Respondent, McDonald & Company Securities, Inc., be and hereby is liable for:

<u>Member Fees</u>	= \$ 400.00
Total Fees	= \$ 400.00
<u>Less payments</u>	= \$ 800.00
Balance Due NASD Dispute Resolution, Inc.	= \$ (400.00)

NASD Dispute Resolution, Inc. will apply this excess \$400 to the forum fees owed jointly by McDonald and First Union.

3. Respondent, First Union Securities, Inc., be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 400.00
Total Fees	= \$ 400.00
<u>Less payments</u>	= \$ 400.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

4. Respondents, McDonald Investments Inc. and First Union Securities, Inc., be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 675.00
Total Fees	= \$ 675.00
<u>Less payments</u>	= \$ 400.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 275.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Richard H. Haas, Esq.

Public Arbitrator, Presiding Chair

Richard H. Haas
Richard H. Haas, Esq.
Public Arbitrator, Presiding Chair

July 16, 2001
Signature Date

July 16, 2001
Date of Service

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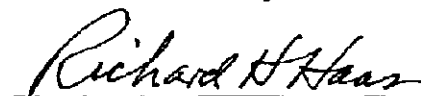
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ARBITRATION PANEL

Richard H. Haas, Esq.

Public Arbitrator, Presiding Chair



Richard H. Haas, Esq.
Public Arbitrator, Presiding Chair


Signature Date

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