

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Robert Daniels, (Claimant) vs. Chase Investment Services Corp., (Respondent)

Case Number: 00-04008

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Robert Daniels, hereinafter referred to as "Claimant": Daniel A. Eigerman, Esq., Attorney at Law, New York, NY.

Respondent, Chase Investment Services Corp., hereinafter referred to as "Respondent": Matthew C. Plant, Esq., Bressler, Amery & Ross, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: September 13, 2000.

Reply to Counterclaim filed by Claimant on or about: December 26, 2000.

Claimant signed the Uniform Submission Agreement.

Statement of Answer and Counterclaim filed by Respondent on or about: December 15, 2000.

Respondent signed the Uniform Submission Agreement: February 7, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: negligent and improper destruction of margin account; failure to give Claimant sufficient time to meet a margin call; and breach of fiduciary obligations. Claimant's claims involved the stock and options of Xced, Inc.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a claim upon which relief can be granted; Claimant ratified all transactions about which he is complaining; the Statement of Claim is barred by the doctrines of laches, waiver, ratification, and estoppel; Respondent acted in good faith and without malice or reckless indifference to Claimant; Claimant failed to mitigate any alleged damages; Claimant's injuries or damages are due to acts or omissions of Claimant; any damages sustained by Claimant were caused in whole or in part, or were contributed to, by the negligence of Claimant; Respondent did not breach any duty to Claimant allegedly imposed by operation of law or contract; and the Statement of Claim is barred by the doctrine of accord and satisfaction.

In its Counterclaim, Respondent asserted the following causes of action: failure to satisfy debit balance in account; breach of contract; and unjust enrichment.

Unless specifically admitted in his Reply, Claimant denied the allegations made in the Counterclaim and asserted the following defenses: the supposed deficiency alleged in the Counterclaim results from Respondent's own misconduct; if not for Respondent's premature and irresponsible liquidation, the account would have benefited from the recovery in market price of the subject securities; and Respondent, having breached the parties' contract, cannot enforce it against Claimant.

RELIEF REQUESTED

Claimant requested:

- a. Compensatory damages in the amount of \$260,000.00;
- b. Punitive damages in the amount of \$100,000.00;
- c. The costs and fees of this proceeding, including reasonable attorneys' fees;
- d. Interest at the rate of 9% over a five month period, totaling \$9,750.00; and
- e. Such other and further relief as the Panel deems just and proper.

In its Answer and Counterclaim, Respondent requested that:

- a. Claimant's Statement of Claim be dismissed in its entirety, with prejudice;
- b. The Panel enter an Award against Claimant in the amount of \$63,239.31 representing the deficiency in Claimant's account, plus interest at the prevailing margin interest rate through the time of the arbitration hearing in this matter;
- c. The Panel assess costs and expenses against Claimants; and
- d. The Panel award such other relief as it deems just and proper.

In his Reply, Claimant requested that Respondent's Counterclaim be dismissed and that Claimant be granted the relief requested in the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearings in this matter, Respondent made a Motion to Dismiss. The Panel denied said Motion.

The parties 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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are hereby dismissed in their entirety.
2. Claimant be and hereby is liable for and shall pay to Respondent the sum of \$60,583.52 as compensatory damages, plus interest at the rate of 5% beginning to accrue 30 days after the date of this Award until the date payment is made.
3. All other requests for relief are hereby 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
Counterclaim filing fee	= \$1,000.00

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 person at the time of the events giving rise to the dispute. In this matter, Chase Investment Services Corp. is a party.

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

Adjournment Fees

Adjournments requested during these proceedings:

June 19, 20 & 21, 2001, adjournment by Respondent = \$1,125.00

Forum Fees and Assessments

The 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 session with Panel x \$1,125.00 = \$1,125.00

Pre-hearing conference: April 23, 2001 1 session

Seven (7) Hearing sessions x \$1,125.00 = \$7,875.00

Hearing Dates: September 5, 2001 2 sessions

September 6, 2001 2 sessions

November 5, 2001 3 sessions

Total Forum Fees = \$9,000.00

1. The Panel has assessed \$7,200.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,800.00 of the forum fees against Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Respondent, requested tapes, 90.00.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$7,200.00</u>
Total Fees	= \$7,500.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$6,075.00

2. Respondent be and hereby is solely liable for:

Counterclaim Filing Fee	= \$1,000.00
Member Fees	= \$4,600.00
Adjournment Fee	= \$1,125.00
Forum Fees	= \$1,800.00
<u>Administrative Costs</u>	<u>= \$ 90.00</u>
Total Fees	= \$8,615.00
<u>Less payments</u>	<u>= \$7,565.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,050.00

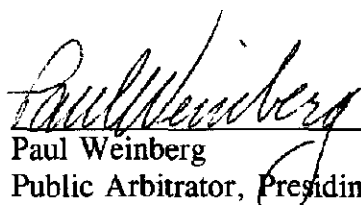
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Paul Weinberg	-	Public Arbitrator, Presiding Chair
Frank G. Welch, III, CPA	-	Public Arbitrator
Leonard Harvey	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Paul Weinberg
Public Arbitrator, Presiding Chair

DEC. 7, 2001

Signature Date

Frank G. Welch, III, CPA
Public Arbitrator

Signature Date

Leonard Harvey
Industry Arbitrator

Signature Date

December 17, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL


Paul Weinberg	-	Public Arbitrator, Presiding Chair
Frank G. Welch, III, CPA	-	Public Arbitrator
Leonard Harvey	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Paul Weinberg
Public Arbitrator, Presiding Chair

Signature Date



Frank G. Welch, III, CPA
Public Arbitrator

12/11/2001

Signature Date

Leonard Harvey
Industry Arbitrator

Signature Date

December 17, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

Paul Weinberg	-	Public Arbitrator, Presiding Chair
Frank G. Welch, III, CPA	-	Public Arbitrator
Leonard Harvey	-	Industry Arbitrator

Concurring Arbitrators' Signatures

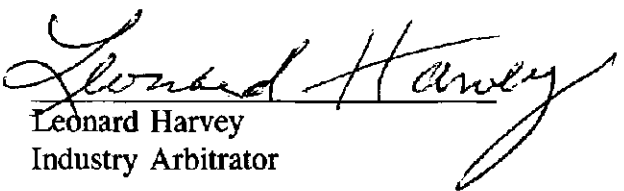
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Paul Weinberg
Public Arbitrator, Presiding Chair

Signature Date

Frank G. Welch, III, CPA
Public Arbitrator

Signature Date


Leonard Harvey
Industry Arbitrator

Signature Date

December 17, 2001
Date of Service (For NASD office use only)


Signature Date