

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Deane H. Stokes, Sr.
Metropolitan Realty Associates, Incorporated

Case No. 00-04077

Names of Respondents

Marion Bass Securities Corp
Chadwick Edward Cochran
Mark Fitzgerald Bass
Gerald Paul Chandik
Robert Harold Reber, Jr.
Robert James Brietz, Sr.
Marion Frederick Bass, Jr.
Thomas Michael Costello
Randolph McCraven Nash
Benjamin Timothy Brooks

Name of Third-Party Respondent

Deane Stokes, Jr.

Hearing Site: Atlanta, Georgia

REPRESENTATION OF PARTIES

For Deane H. Stokes, Sr. and Metropolitan Realty Associates, Incorporated ("Metropolitan"), hereinafter collectively referred to as "Claimants": J. Pat Sadler, Esq. of Sadler & Hovdesven, P.C., Atlanta, Georgia.

For Respondent Marion Bass Securities Corp.: Scott P. Hilsen, Esq. of Alston & Bird, L.L.P., Atlanta, Georgia until his withdrawal as counsel on or about October 26, 2001. Thereafter, Respondent Marion Bass Securities Corp. did not appear.

For Respondent Marion Frederick Bass, Jr.: Scott P. Hilsen, Esq. of Alston & Bird, L.L.P., Atlanta, Georgia until his withdrawal as counsel on or about October 26, 2001. Thereafter, Respondent Marion Frederick Bass, Jr. did not appear.

For Respondent Gerald Paul Chandik: Scott P. Hilsen, Esq. of Alston & Bird, L.L.P. until his withdrawal as counsel on or about October 26, 2001. Thereafter, Respondent Gerald

Paul Chandik appeared pro se.

For Respondent Thomas Michael Costello: James C. Cosby, Esq. of Cantor Arkema & Edmonds, P.C., Richmond, Virginia.

For Respondents Robert James Brietz, Jr., Mark Fitzgerald Bass and Robert Harold Reber, Jr.: Robert H. McKnight, Esq. of Freed & Berman, P.C., Atlanta, Georgia.

For Respondent Chadwick Edward Cochran: Delmer C. Gowing, III, P.A., Delray Beach, Florida.

Respondents Randolph McCraven Nash and Benjamin Timothy Brooks appeared pro se.

Third-Party Respondent Deane Stokes, Jr. did not appear.

CASE INFORMATION

Statement of Claim filed on or about: September 15, 2000.

Claimants' First Amendment to Statement of Claim filed on or about: May 30, 2001.

Claimant Deane H. Stokes, Sr. signed the Uniform Submission Agreement:
September 7, 2000.

Claimant Metropolitan Realty Associates, Incorporated signed the Uniform
Submission Agreement: March 13, 2001.

Statement of Answer and Counterclaim filed by Respondents Marion Bass Securities
Corporation and Chadwick Edward Cochran on or about: December 15, 2000.

Respondents Marion Bass Securities Corporation, Thomas Michael Costello, Marion
Frederick Bass, Jr., Mark Fitzgerald Bass, Robert James Brietz, Sr., Gerald Paul
Chandik, and Robert Harold Reber, Jr.'s Answer and Defenses to Claimants' First
Amendment to the Statement of Claim filed on or about: July 24, 2001.

Respondent Marion Bass Securities Corp. signed the Uniform Submission Agreement:
October 3, 2000.

Respondent Chadwick Edward Cochran signed the Uniform Submission Agreement:
November 10, 2000.

Respondent Marion Frederick Bass, Jr. signed the Uniform Submission Agreement.

Respondent Robert Harold Reber, Jr. signed the Uniform Submission Agreement:
August 3, 2001.

Respondent Mark Fitzgerald Bass signed the Uniform Submission Agreement: August
7, 2001.

Respondent Thomas Michael Costello signed the Uniform Submission Agreement:
August 6, 2001.

Respondent Gerald Paul Chandik signed the Uniform Submission Agreement: August
6, 2001.

Respondent Robert James Brietz, Sr. signed the Uniform Submission Agreement:
August 7, 2001.

Respondents Randolph McCraven Nash and Benjamin Timothy Brooks did not file

Statements of Answers or executed Uniform Submission Agreements. Third-Party Respondent Deane Stokes, Jr. did not file an executed Uniform Submission Agreement or Statement of Answer.

CASE SUMMARY

Claimants asserted the following causes of action: churning and securities fraud; breach of fiduciary duty; and control person liability. The causes of action relate to transactions in Claimants' accounts in unspecified securities products.

Unless specifically admitted in their Answers, Respondents Marion Bass Securities Corp., Chadwick Edward Cochran, Michael Thomas Costello, Marion Frederick Bass, Jr., Mark Fitzgerald Bass, Robert James Brietz, Sr., Gerald Paul Chandik, and Robert Harold Reber, Jr. denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants through its principal and sole proprietor, Deane Stokes, Jr., are highly sophisticated securities investors; by their own choice, Claimants invested in highly speculative growth and technology stocks; Claimants lost money in the market due to their own investment decisions; and, said Respondents are not responsible for Claimants' losses and did not otherwise act as guarantors of market success.

In the counterclaim/third-party claim, Respondent Marion Bass Securities Corp. alleged that as a result of margin calls in their accounts, Claimant Metropolitan Realty Associates, Incorporated and Third-Party Respondent Deane Stokes, Jr. are liable to Respondent Marion Bass Securities Corp. in the sum of \$14,946.24, plus interest.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$147,890.00 for trading losses incurred by Mr. Stokes, Sr. and \$141,749.00 by Metropolitan Realty Associates, Incorporated; reasonable attorneys' fees in the amount of not less than \$140,000.00; punitive damages in the amount of \$50,000.00; interest and costs of this action; and for such other and further relief as the Panel deemed just and proper.

Respondents Marion Bass Securities Corp., Chadwick Edward Cochran, Michael Thomas Costello, Marion Frederick Bass, Jr., Mark Fitzgerald Bass, Robert James Brietz, Sr., Gerald Paul Chandik, and Robert Harold Reber, Jr. requested that the Statement of Claim be dismissed, plus costs, attorneys' fees, and any such other and further relief that the Panel deemed just and proper. Further, Respondent Marion Bass Securities Corp. requested that the Panel award it the sum of \$14,946.24 against Claimant Metropolitan Realty Associates, Inc. and Third-Party Respondent Deane Stokes, Jr. on its counterclaim/third-party claim, plus interest.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Randolph McCraven Nash and Benjamin Timothy Brooks did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, are bound by the determination of the Panel on all issues submitted.

Respondents Marion Bass Securities Corp. and Marion Frederick Bass, Jr. did not attend the evidentiary hearing in this matter. Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondents Marion Bass Securities Corp. and Marion Frederick Bass, Jr. have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the Code.

On or about January 18, 2001, counsel for Respondent Marion Bass Securities Corp. informed NASD Dispute Resolution, Inc. that as Deane Stokes, Jr. did not voluntarily submit to the jurisdiction of the NASD, Marion Bass Securities Corp. did not intend to file a third-party claim naming Deane Stokes, Jr. individually.

On or about July 2, 2001, Claimants' counsel informed NASD Dispute Resolution, Inc. that Claimants had dismissed from the proceeding, without prejudice, Respondents Benjamin Timothy Brooks and Randolph McCraven Nash.

On or about December 11, 2001, Claimants' counsel informed NASD Dispute Resolution, Inc. that Claimants had reached a settlement of all claims involving the individual Respondents Chadwick Edward Cochran, Thomas Michael Costello, Mark F. Bass, Robert J. Brietz, Sr. and Robert H. Reber, Jr.

The parties present at the hearing agreed that the Award in this matter may be executed in counterpart copies of that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondents Marion Bass Securities Corp., Marion Frederick Bass, Jr. and Gerald Paul Chandik be and hereby are liable, jointly and severally, and shall pay to Claimant Deane H. Stokes, Sr. the sum of \$6,250.00 in actual damages, plus interest at the rate of 12% per annum from the date of the decision until the date of payment of the Award. Actual damages are awarded pursuant to O.C.G.A. 10-5-14.

Respondents Marion Bass Securities Corp. and Marion Frederick Bass, Jr. be and hereby are liable, jointly and severally, and shall pay to Claimant Deane H. Stokes, Sr. the sum of \$18,750.00 in actual damages, plus interest at the rate of 12% per annum from the date of the decision until the date of payment of the Award. Actual damages are awarded pursuant to O.C.G.A. 10-5-14.

Respondents Marion Bass Securities Corp. and Marion Frederick Bass, Jr. be and hereby are liable, jointly and severally, and shall pay to Claimant Deane H. Stokes, Sr. the sum of \$33,333.00 in punitive damages. Punitive damages are awarded based upon the fraud of said Respondents and pursuant to O.C.G.A. 51-6-1.

Respondents Marion Bass Securities Corp., Marion Frederick Bass, Jr. and Gerald Paul Chandik are liable, jointly and severally, and shall pay to Claimant Metropolitan Realty Associates, Incorporated the sum of \$3,250.00 in actual damages, plus interest at the rate of 12% per annum from the date of the decision until the date of payment of the Award. Actual damages are awarded pursuant to O.C.G.A. 10-5-14.

Respondents Marion Bass Securities Corp. and Marion Frederick Bass, Jr. be and hereby are liable, jointly and severally, and shall pay to Claimant Metropolitan Realty Associates, Incorporated the sum of \$9,750.00 in actual damages, plus interest at the rate of 12% per annum from the date of the decision until the date of payment of the Award. Actual damages are awarded pursuant to O.C.G.A. 10-5-14.

Respondents Marion Bass Securities Corp. and Marion Frederick Bass, Jr. be and hereby are liable, jointly and severally, and shall pay to Claimant Metropolitan Realty Associates, Incorporated the sum of \$16,667.00 in punitive damages. Punitive damages are awarded based upon the fraud of said Respondents and pursuant to O.C.G.A. 51-6-1.

Respondents Marion Bass Securities Corp. and Marion Frederick Bass, Jr. be and hereby are liable, jointly and severally, and shall pay to Claimants the sum of \$300.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution, Inc.

The counterclaim of Respondent Marion Bass Securities Corp. is dismissed, with prejudice, as Marion Bass Securities Corp. did not appear at the evidentiary hearing and no evidence was presented with respect to said counterclaim.

As no showing was made with regard to the assessment of reasonable attorneys' fees, the Panel awards no attorneys' fees to the parties.

Any and all requests for relief not specifically addressed herein are 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/third party claim filing fee	= \$750.00

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, Marion Bass Securities Corp. was a member firm until September 4, 2001.

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

Adjournment Fees

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two Pre-hearing sessions with Panel x \$1,125.00	= \$2,250.00
Pre-hearing conferences: May 15, 2001	1 session
August 6, 2001	1 session

Two Hearing sessions x \$1,125.00	= \$2,250.00
Hearing Date: December 18, 2001	2 sessions

Total Forum Fees	= \$4,500.00
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The panel has assessed the total forum fees of \$4,500.00 to Respondents Marion Bass Securities Corp. and Marion Frederick Bass, Jr., jointly and severally.

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.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee = \$300.00

Total Fees = \$300.00

Less payments = \$300.00

Balance Due NASD Dispute Resolution, Inc. = \$0.00

Respondent Marion Bass Securities Corp. be and hereby is solely liable for:

Filing Fee = \$750.00

Member Fees = \$4,600.00

Total Fees = \$5,350.00

Less payments = \$2,850.00

Balance Due NASD Dispute Resolution, Inc. = \$2,500.00

Respondents Marion Bass Securities Corp. and Marion Frederick Bass, Jr. be and hereby are jointly and severally liable for:

Forum Fees = \$4,500.00

Total Fees = \$4,500.00

Less payments = \$0.00

Balance Due NASD Dispute Resolution, Inc. = \$4,500.00

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

ARBITRATION PANEL

<i>John T. Longino, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Emily Bourne Grigsby, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Marian Cover Dockery, Esq.</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

John T. Longino, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Emily Bourne Grigsby, Esq.
Public Arbitrator

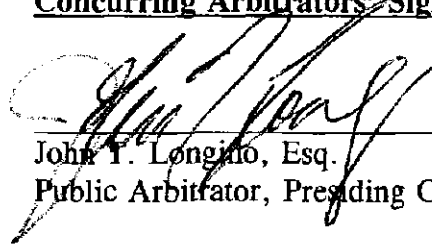
Signature Date

Marian Cover Dockery, Esq.
Non-Public Arbitrator

Signature Date

January 15, 2002
Date of Service (For NASD-Dispute Resolution office use only)

Concurring Arbitrators' Signatures



John T. Longino, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Emily Bourne Grigsby, Esq.
Public Arbitrator

Signature Date

Marian Cover Dockery, Esq.
Non-Public Arbitrator

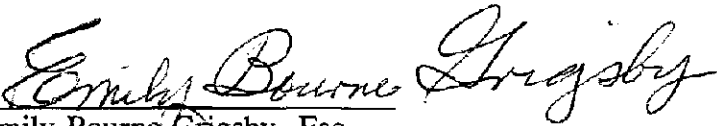
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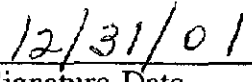
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John T. Longino, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Emily Bourne Grigsby, Esq.
Public Arbitrator



Signature Date

Marian Cover Dockery, Esq.
Non-Public Arbitrator

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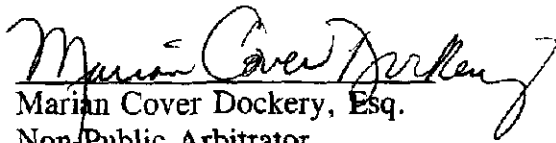
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John T. Longino, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Emily Bourne Grigsby, Esq.
Public Arbitrator

Signature Date



Marian Cover Dockery, Esq.
Non-Public Arbitrator

12/31/04

Signature Date

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