

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Robert W. Taylor

and

00-04342
Phoenix, Arizona

Name of Respondent

Vanguard Marketing Corporation

REPRESENTATION OF PARTIES

Robert W. Taylor ("**Claimant**") appeared *pro se*.

Vanguard Marketing Corporation ("**Respondent**") was represented by Pauline C. Scalvino, Esq., The Vanguard Group, Valley Forge, Pennsylvania.

CASE INFORMATION

The Statement of Claim was filed on or about September 29, 2000. Response to Motion to Dismiss was filed on or about January 4, 2001. Amended Response to Motion to Dismiss was filed on or about April 5, 2001. Submission Agreement of Claimant Robert W. Taylor was signed on September 25, 2000.

Motion to Dismiss and Answer of Respondent Vanguard Marketing Corporation to Statement of Claim was filed on or about December 22, 2000. Reply of Vanguard Marketing Corporation to Claimant's Amended Response to Respondent's Motion to Dismiss was filed on or about April 16, 2001. Submission Agreement of Respondent Vanguard Marketing Corporation was signed on December 20, 2000.

CASE SUMMARY

Claimant alleged that his Form U-5 contains inaccurate information regarding the reason for his termination from Respondent. Specifically, Claimant alleged that the reason given on the Form U-5 ("gross misconduct") is not correct and has prevented him from obtaining further employment in the securities industry.

Respondent denied the allegations set forth in the Statement of Claim. Respondent specifically stated that Claimant was terminated for his knowing and deliberate violation of its trading policies.

Respondent stated that Claimant had been notified that he would no longer be permitted to trade level 3 options, he was only permitted to trade in covered transactions. It was further stated that after he had been notified of the restriction, Claimant placed orders in violation of the restriction placed on him and was thereafter terminated.

RELIEF REQUESTED

Claimant requested an award ordering the removal of the term "gross misconduct" as the reason for termination on the Form U-5 and that he be awarded compensatory damages in the amount of \$100,000.00.

Respondent requested that the Arbitration Panel dismiss this proceeding in its entirety.

OTHER ISSUES CONSIDERED & DECIDED

By letter dated May 4, 2001, the parties were advised of the Arbitration Panel's decision to deny the Motion to Dismiss filed on behalf of Respondent Vanguard Marketing Corporation.

At the hearing, Respondent orally asserted a Motion for Sanctions for Claimant's failure to produce documents as ordered on August 27, 2001. The Arbitration Panel has granted this motion and granted relief as set forth in paragraph 1 (one) of the Award.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Vanguard Marketing Corporation shall be and hereby is liable for and shall pay to Claimant Robert W. Taylor the sum of \$75,000 (**Seventy Five Thousand Dollars**) as compensatory damages. In making this award, the Arbitration Panel had assessed Claimant's damages in the amount of \$100,000, which sum was reduced as sanctions for Claimant's failure to produce documents as ordered.
2. Respondent Vanguard Marketing Corporation shall be and hereby is liable for and shall pay to Claimant Robert W. Taylor the costs of his non-refundable airline ticket as previously agreed, plus Claimant's travel, lodging, meal and car rental costs. All receipts are to be sent

to NASD Dispute Resolution, Inc. staff and to Respondent no later than 30 (thirty) days from receipt of this award. Respondent is to reimburse Claimant within 30 (thirty) days of receipt of Claimant's receipts.

3. The Panel recommends the expungement of the reason and explanation for termination on Claimant's Form U-5 and replace that language as follows: reason for termination – "discharged" explanation – "violation of Vanguard company policies". The expungement relief is granted based on the defamatory nature of the information in the CRD system, however, there has been no finding that the elements required to satisfy a claim for defamation under governing law have been met.
4. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
5. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 waived by NASD Dispute Resolution, Inc. = \$225.00

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, the member firm is Vanguard Marketing Corporation.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Adjournment Fees

Adjournments requested during these proceedings:

June 13, 2001 and June 14, 2001 hearing dates, adjournment requested by Vanguard Marketing Corporation.

= \$ 750.00

September 20, 2001 and September 21, 2001 hearing dates, adjournment requested by Vanguard Marketing Corporation. Fee waived by NASD Dispute Resolution, Inc.

= \$1,000.00

Forum Fees and Assessments

The Arbitration Panel assesses 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:

One (1) Pre-hearing session(s) with Panel x \$750.00 = \$ 750.00

Pre-hearing conference(s): April 2, 2001 1 session

Four (4) Hearing sessions x \$750.00 = \$3,000.00

Hearing Date(s): January 16, 2002 2 sessions

January 17, 2002 2 sessions

Total Forum Fees = \$3,750.00

The Arbitration Panel has assessed \$0.00 of the forum fees to Robert W. Taylor.

The Arbitration Panel has assessed \$3,750.00 of the forum fees to Vanguard Marketing Corporation.

Fee Summary

Claimant, Robert W. Taylor, shall be and hereby is liable for:

Initial Filing Fee = \$ 225.00

Forum Fees = \$ 0.00

Total Fees = \$ 225.00

Less payments = \$ 0.00

Balance waived by NASD Dispute Resolution, Inc. = \$ 225.00

Respondent, Vanguard Marketing Corporation, shall be and hereby is liable for:

Member Fees = \$3,100.00

Adjournment Fee = \$ 750.00

Forum Fees = \$3,750.00

Total Fees = \$7,600.00

<u>Less payments</u>	= \$3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,500.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Shirley A. Lilien, Esq. - Public Arbitrator, Presiding Chair
Thomas A. Peterson, III - Public Arbitrator
David W. Martin - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Shirley A. Lilien
Shirley A. Lilien, Esq.
Public Arbitrator, Presiding Chair

January 28, 2002
Signature Date

/s/ Thomas A. Peterson, III
Thomas A. Peterson, III
Public Arbitrator

January 29, 2002
Signature Date

/s/ David W. Martin
David W. Martin
Non-Public Arbitrator

February 3, 2002
Signature Date

NASD Dispute Resolution, Inc.

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Total Fees

= \$7,600.00

Less payments= \$3,100.00

Balance Due NASD Dispute Resolution, Inc.

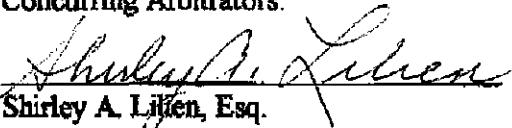
= \$4,500.00**All balances are due to NASD Dispute Resolution, Inc.****ARBITRATION PANEL**

Shirley A. Lilien, Esq. - Public Arbitrator, Presiding Chair

Thomas A. Peterson, III - Public Arbitrator

David W. Martin - Non-Public Arbitrator

Concurring Arbitrators:


Shirley A. Lilien, Esq.
Public Arbitrator, Presiding Chair
Signature Date_____
Thomas A. Peterson, III
Public Arbitrator_____
Signature Date_____
David W. Martin
Non-Public Arbitrator_____
Signature Date

Less payments

= \$3,100.00

Balance Due NASD Dispute Resolution, Inc.

= \$4,500.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Shirley A. Lilien, Esq. - Public Arbitrator, Presiding Chair

Thomas A. Peterson, III - Public Arbitrator

David W. Martin - Non-Public Arbitrator

Concurring Arbitrators:



Shirley A. Lilien, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Thomas A. Peterson, III
Public Arbitrator

1/29/2002

Signature Date

David W. Martin
Non-Public Arbitrator

Signature Date

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Arbitration No. 00-04342
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Total Fees	= \$7,600.00
<u>Less payments</u>	<u>= \$3,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$4,500.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

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Thomas A. Peterson, III - Public Arbitrator
David W. Martin - Non-Public Arbitrator

Concurring Arbitrators:

Shirley A. Lilien, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Thomas A. Peterson, III
Public Arbitrator

Signature Date

David W. Martin
David W. Martin
Non-Public Arbitrator

2-3-02
Signature Date