

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Judith Glynn, Larissa St. John, Linda Fontana, Vincent Crispino, Anita Crispino, Michael Horan, Eugene Clancy, Finbar James, Laurence Sullivan, and Mary Sullivan (Claimants)
v. First Allied Securities, Inc., Cormac Glynn, Stephanie Failla, Bear Stearns Securities Corp., and Kurt Aibel (Respondents)

Case Number: 00-04612

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants Judith Glynn ("J. Glynn"), Larissa St. John ("St. John"), Linda Fontana ("Fontana"), Vincent Crispino ("V. Crispino"), Anita Crispino ("A. Crispino"), Michael Horan ("Horan"), Eugene Clancy ("Clancy"), Finbar James ("James"), Laurence Sullivan ("L. Sullivan") and Mary Sullivan ("M. Sullivan"), hereinafter collectively referred to as "Claimants": Daniel R. Solin, Esq., New York, NY, and John A. Agostini, Esq., Cain Hibbard Myers & Cook, PC, Pittsfield, MA, and Deirdre O'Brien, Esq., O'Brien & Associates, New York, NY.

Respondents First Allied Securities, Inc. ("First Allied") and Stephanie Failla ("Failla"): Brian J. Neville, Esq., Law Offices of Brian J. Neville, P.C., New York, NY. Previously represented by: John Bersin, Esq., Josephthal & Co., New York, NY.

Respondent Bear Stearns Securities Corp. ("Bear Stearns"): John Bersin, Esq., Josephthal & Co., New York, NY.

Respondent Cormac Glynn ("C. Glynn") appeared *pro se*.

Respondent Kurt Aibel ("Aibel"): Jenice L. Malecki, Esq., New York, NY, and David Kravetz, Esq., New York, NY.

CASE INFORMATION

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

Amended Statement of Claim filed on or about: December 3, 2001.

Claimants' Reply to Aibel's Counterclaim filed on or about: April 8, 2002.

J. Glynn signed a Uniform Submission Agreement: November 8, 2000.

J. Glynn signed a Uniform Submission Agreement: November 6, 2001.

St. John signed a Uniform Submission Agreement: November 8, 2000.

St. John signed a Uniform Submission Agreement.

Fontana signed a Uniform Submission Agreement: November 22, 2000.
Fontana signed a Uniform Submission Agreement: December 6, 2001.

V. Crispino signed a Uniform Submission Agreement: November 8, 2000.
V. Crispino signed a Uniform Submission Agreement: December 6, 2001.

A. Crispino signed a Uniform Submission Agreement: November 8, 2000.
A. Crispino signed a Uniform Submission Agreement: December 6, 2001.

Horan signed a Uniform Submission Agreement: November 8, 2000.

Clancy signed a Uniform Submission Agreement: November 2, 2000.
Clancy signed a Uniform Submission Agreement: December 21, 2001.
Clancy signed a Uniform Submission Agreement: January 23, 2002.

James signed a Uniform Submission Agreement: November 6, 2000.
James signed a Uniform Submission Agreement: October 23, 2001.

L. Sullivan signed a Uniform Submission Agreement: November 1, 2000.
L. Sullivan signed a Uniform Submission Agreement: November 26, 2001.

M. Sullivan signed a Uniform Submission Agreement: November 1, 2000.
M. Sullivan signed a Uniform Submission Agreement: November 26, 2001.

Joint Statement of Answer filed by First Allied and Failla on or about: February 2, 2001.
First Allied did not sign a Uniform Submission Agreement.
Failla did not sign a Uniform Submission Agreement.

Statement of Answer and Motion to Dismiss filed by Bear Stearns on or about: February 2, 2001.
Bear Stearns did not sign a Uniform Submission Agreement.

Statement of Answer filed by Glynn on or about: February 2, 2001.
C. Glynn signed a Uniform Submission Agreement: February 2, 2001.

Statement of Answer and Counterclaim and Motion to Dismiss filed by Aibel on or about: March 14, 2002.
Aibel signed a Uniform Submission Agreement: November 19, 2001.

CASE SUMMARY

In the Statement of Claim and Amended Statement of Claim, Claimants asserted the following causes of action: unauthorized trading; unsuitability; churning; wrongful

hiring; fraud; failure to supervise; negligence; and breach of fiduciary duty. Claimants' claims involved unspecified types of securities.

In their Reply to Aibel's Counterclaim, Claimants denied the allegations made in the Counterclaim.

Unless specifically admitted in their Answer, First Allied and Failla denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Bear Stearns denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, C. Glynn denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Motion to Disqualify; Motion to Adjourn and for Fee Waiver; Motion to Dismiss; Answer; and Counterclaim, Aibel denied the allegations made in the Statement of Claim. In his Counterclaim, Aibel asserted the following causes of action: fraud; and abuse of process.

RELIEF REQUESTED

In their Statement of Claim and Amended Statement of Claim, Claimants requested compensatory damages totaling \$42,678.76 consisting of the following individual Claimant's request:

1. J. Glynn: \$4,394.30
2. St. John: \$5,511.20
3. Fontana: \$4,394.30
4. V. Crispino and A. Crispino: \$5,237.70
5. Horan: \$4,394.30
6. Clancy: \$5,563.80
7. James: \$8,788.86
8. L. Sullivan and M. Sullivan: \$4,394.30

In addition, Claimants requested interest at the legal rate of 9% per annum from March 1998 to the date of payment of the award, legal fees, punitive damages in an amount of two times the loss caused by the Respondents' purposeful misconduct, and assessing all costs of this proceeding against Respondents.

In their Reply to Aibel's Counterclaim, Claimants requested that the Panel dismiss all counterclaims against them.

In their Statement of Answer, First Allied and Failla requested an award against Claimants: denying all claims in the Statement of Claim; assessing all costs and expenses

of this proceedings against Claimants; and all such other and further relief as the Panel may deem just and necessary.

In its Answer and Motion to Dismiss, Bear Stearns requested that the Statement of Claim against it be dismissed in its entirety and the costs of this matter be assessed against Claimants.

In his Statement of Answer, C. Glynn requested an award against Claimants: denying all claims in the Statement of Claim; assessing the costs and expenses of this proceeding against Claimants; and all such other and further relief as this Panel may deem just and necessary.

In his Statement of Answer, Aibel requested that all claims against him be dismissed in their entirety. In his Counterclaim, Aibel requested damages in an amount in excess of \$10,000.00, plus interest, together with punitive damages; and all other and further relief the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated March 26, 2001 Claimants dismissed, without prejudice, all of their claims against Bear Stearns.

Claimants and their counsel did not appear at the September 30, 2003 hearing; Claimants previously participated in the August 6, 2001 and May 23, 2003 pre-hearing conferences, and the hearings conducted on April 1, 2, 23, and 24, 2002.

Upon review of the file and the representations made on behalf of NASD Dispute Resolution and the Respondents First Allied, Failla, and C. Glynn, the undersigned Panel determined that Claimants have properly been served due notice of the hearing scheduled for September 30, 2003, and that arbitration of the matter would proceed without said Claimants present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

First Allied and Failla did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing are bound by the determination of the Panel on all issues submitted.

Bear Stearns did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim is bound by the determination of the Panel on all issues submitted.

In accordance with a signed Settlement Agreement filed by the Claimants, Claimants have settled their claims with Aibel.

At the hearing on September 30, 2003, the Panel granted the Motion to Dismiss with Prejudice made by First Allied, Failla, and C. Glynn; the Panel denied the Motions for Expungement made by Failla and C. Glynn; and denied the motion made by First Allied, Failla, and C. Glynn that legal fees be paid by Claimants.

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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are hereby dismissed in their entirety.
2. Aibel's Counterclaims are hereby denied in their entirety.
3. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Claimants' Initial claim filing fee	= \$ 300.00
Aibel's Counterclaim filing fee	= \$ 75.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, First Allied is a party.

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

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Bear Stearns is a party.

Member surcharge = \$1,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

January 8, 9, 15, and 16, 2002, adjournment by Claimants = \$1,125.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Two (2) Pre-hearing sessions with Panel @ \$1,125.00 = \$ 2,250.00

Pre-hearing conferences:	August 6, 2001	1 session
	May 23, 2003	1 session

Nine (9) Hearing sessions @ \$1,125.00 = \$10,125.00

Hearing Dates:	April 1, 2002	2 sessions
	April 2, 2002	2 sessions
	April 23, 2002	2 sessions
	April 24, 2002	2 sessions
	September 30, 2003	1 session

Total Forum Fees = \$12,375.00

The Panel has determined to assess fifty percent (50%) of the forum fees jointly and severally against Respondents First Allied and C. Glynn and fifty percent (50%) of the forum fees split equally among each of the eight Claimants as set forth below:

1. The Panel has assessed \$773.44 of the forum fees against J. Glynn.
2. The Panel has assessed \$773.44 of the forum fees against St. John.
3. The Panel has assessed \$773.44 of the forum fees against Fontana.
4. The Panel has assessed \$773.44 of the forum fees jointly and severally against V. Crispino and A. Crispino.
5. The Panel has assessed \$773.44 of the forum fees against Horan.
6. The Panel has assessed \$773.44 of the forum fees against Clancy.
7. The Panel has assessed \$773.44 of the forum fees against James.
8. The Panel has assessed \$773.44 of the forum fees jointly and severally against L. Sullivan and M. Sullivan.
9. The Panel has assessed \$6,187.50 of the forum fees jointly and severally against First Allied and C. Glynn.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

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| 1. Claimants requested photocopies | = \$ 5.25 |
| 2. Claimants requested tapes | = \$ 60.00 |
| 3. Aibel requested tapes | = \$ 60.00 |

Fee Summary

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| 1. Claimants are jointly and severally liable for: | |
| Initial Filing Fee | = \$ 300.00 |
| Adjournment Fee | = \$1,125.00 |
| Administrative Costs | = \$ 65.25 |
| Total Fees | = \$1,490.25 |
| Less payments | = \$1,485.00 |
| Balance Due NASD Dispute Resolution | = \$ 5.25 |
| 2. Claimant, J. Glynn, is solely liable for: | |
| Forum Fees | = \$ 773.44 |
| Total Fees | = \$ 773.44 |
| Less payments | = \$.00 |
| Balance Due NASD Dispute Resolution | = \$ 773.44 |
| 3. Claimant, St. John, is solely liable for: | |
| Forum Fees | = \$ 773.44 |
| Total Fees | = \$ 773.44 |
| Less payments | = \$.00 |
| Balance Due NASD Dispute Resolution | = \$ 773.44 |
| 4. Claimant, Fontana, is solely liable for: | |
| Forum Fees | = \$ 773.44 |
| Total Fees | = \$ 773.44 |
| Less payments | = \$.00 |
| Balance Due NASD Dispute Resolution | = \$ 773.44 |
| 5. Claimants, V. Crispino and A. Crispino, are jointly and severally liable for: | |
| Forum Fees | = \$ 773.44 |
| Total Fees | = \$ 773.44 |
| Less payments | = \$.00 |
| Balance Due NASD Dispute Resolution | = \$ 773.44 |

6. Claimant Horan is solely liable for:

<u>Forum Fees</u>	= \$ 773.44
<u>Total Fees</u>	= \$ 773.44
<u>Less payments</u>	= \$.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 773.44

7. Claimant Clancy is solely liable for:

<u>Forum Fees</u>	= \$ 773.44
<u>Total Fees</u>	= \$ 773.44
<u>Less payments</u>	= \$.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 773.44

8. Claimant James is solely liable for:

<u>Forum Fees</u>	= \$ 773.44
<u>Total Fees</u>	= \$ 773.44
<u>Less payments</u>	= \$.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 773.44

9. Claimants L. Sullivan and M. Sullivan are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 773.44
<u>Total Fees</u>	= \$ 773.44
<u>Less payments</u>	= \$.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 773.44

10. Respondent First Allied is solely liable for:

<u>Member Fees</u>	= \$4,600.00
<u>Total Fees</u>	= \$4,600.00
<u>Less payments</u>	= \$4,600.00
<u>Balance due NASD Dispute Resolution</u>	= \$.00

11. Respondent Bear Stearns is solely liable for:

<u>Member Fees</u>	= \$1,500.00
<u>Total Fees</u>	= \$1,500.00
<u>Less payments</u>	= \$1,500.00
<u>Balance due NASD Dispute Resolution</u>	= \$.00

12. Respondent Aibel is solely liable for:

<u>Counterclaim filing fee</u>	= \$ 75.00
<u>Administrative Costs</u>	= \$ 60.00
<u>Total Fees</u>	= \$ 135.00
<u>Less payments</u>	= \$ 325.00
<u>Refund Due Aibel</u>	= \$ 190.00

13. Respondents First Allied and C. Glynn are jointly and severally liable for:

<u>Forum Fees</u>	= \$6,187.50
<u>Total Fees</u>	= \$6,187.50
<u>Less payments</u>	= \$.00
<u>Balance Due NASD Dispute Resolution</u>	= \$6,187.50

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Bennett A. Hall	-	Public Arbitrator, Presiding Chair
Craig Scott Bartlett, Jr.	-	Public Arbitrator
Richard D. Gueren	-	Non-Public 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 is which is my award.


Bennett A. Hall
Public Arbitrator, Presiding Chairperson

Signature Date

Craig Scott Bartlett, Jr.
Public Arbitrator

Signature Date

Richard D. Gueren
Non-Public Arbitrator

Signature Date

October 20, 2003
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Bennett A. Hall	-	Public Arbitrator, Presiding Chair
Craig Scott Bartlett, Jr.	-	Public Arbitrator
Richard D. Gueren	-	Non-Public 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 in which is my award.

Bennett A. Hall
Public Arbitrator, Presiding Chairperson

Signature Date

Craig Scott Bartlett, Jr.
Craig Scott Bartlett, Jr.
Public Arbitrator

Signature Date

Richard D. Gueren
Non-Public Arbitrator

Signature Date

October 20, 2003
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Bennett A. Hall	-	Public Arbitrator, Presiding Chair
Craig Scott Bartlett, Jr.	-	Public Arbitrator
Richard D. Gueren	-	Non-Public Arbitrator

Consenting 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 in which is my award.

Bennett A. Hall
Public Arbitrator, Presiding Chairperson

Signature Date

Craig Scott Bartlett, Jr.
Public Arbitrator

Signature Date


Richard D. Gueren
Non-Public Arbitrator

OCT 20, 2003
Signature Date

October 20, 2003
Date of Service (For NASD Dispute Resolution use only)