

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Janney Montgomery Scott, LLC, (Claimant) v. Rock Island Securities, Inc., (Respondent)

Case Number: 00-04651

Hearing Site: Chicago, Illinois

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**REPRESENTATION OF PARTIES**

Claimant Janney Montgomery Scott, LLC ("Scott"): Todd D. Brody, Esq., Morgan Lewis & Bockius, LLP, New York, New York.

Respondent Rock Island Securities, Inc. ("Rock Island"), hereinafter collectively referred to as "Respondent(s)": Andrew G. Neal, Chicago, Illinois.

**CASE INFORMATION**

Statement of Claim filed on or about: October 18, 2000

Claimant Scott signed the Uniform Submission Agreement: October 12, 2000

Pre-Hearing Brief filed by Claimant: October 04, 2001

Statement of Answer filed by Respondent Rock Island on or about: October 20, 2000

Respondent Rock Island signed the Uniform Submission Agreement: October 13, 2000

Response to Pre-Hearing Brief filed by Respondent: October 18, 2001

**CASE SUMMARY**

Claimant Janney Montgomery Scott, LLC asserted the following causes of action: breach of contract and failure to execute.

The causes of action relate to the order execution of Interdigital Communications (IDC).

Unless specifically admitted in its Answer, Respondents Rock Island Securities, Inc. denied the allegations made in the Statement of Claim.

### **RELIEF REQUESTED**

Claimant Janney Montgomery Scott, LLC requested:

Compensatory Damages	\$1,704,781.60
Interest	unspecified
Attorneys' Fees	unspecified
Other Costs	unspecified

Respondent Rock Island Securities, Inc. requested:

Other Costs	unspecified
Other Monetary/Non-Monetary Relief if any:	finding of no liability

### **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. Respondent Rock Island Securities, Inc. is liable to and shall pay Claimant Janney Montgomery Scott, LLC the sum of \$430,000.00 as compensatory damages.
2. Respondent Rock Island Securities, Inc. is liable to and shall pay Claimant Janney Montgomery Scott, LLC 5% interest that began accruing January 05, 2000 and ceased accruing on October 24, 2001.
3. Any and all costs the parties shall be borne by the party incurring it, including attorney's fees.
4. Any and all relief not specifically addressed herein, 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	= \$2,000.00
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#### **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, the member firm is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$4,500.00</u>
Total Member Fees	= \$7,600.00

#### **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 \$450.00 = \$ 450.00  
Pre-hearing conference: June 21, 2001 1 session

One (1) Pre-hearing session with Panel x \$1,200.00 = \$1,200.00  
Pre-hearing conference: May 14, 2001 1 session

Five (5) Hearing sessions x \$1,200.00 = \$6,000.00  
Hearing Dates: May 22, 2001 2 sessions  
May 23, 2001 2 sessions  
May 24, 2001 1 session

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Total Forum Fees = \$7,650.00

1. The panel has assessed \$3,825.00 of the forum fees to Claimant Janney Montgomery Scott, LLC.
2. The panel has assessed \$3,825.00 of the forum fees to Respondent Rock Island Securities, Inc.

#### **Fee Summary**

1. Claimant Janney Montgomery Scott, LLC solely liable for:

Initial Filing Fee	= \$ 2,000.00
Member Fees	= \$ 7,600.00
<u>Forum Fees</u>	<u>= \$ 3,825.00</u>
Total Fees	= \$13,425.00
<u>Less payments</u>	<u>= \$ 8,300.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 5,125.00

2. Respondent Rock Island Securities, Inc. is solely liable for:

Forum Fees	= \$ 3,825.00
<u>Member Fees</u>	<u>= \$ 7,600.00</u>
Total Fees	= \$11,425.00
<u>Less payments</u>	<u>= \$ 5,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,325.00

All balances are due to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

Frank R. Niederman	-	Non-Public Arbitrator, Presiding Chair
Phillip M. Petraitis	-	Non-Public Arbitrator
Susan K. Franz	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/ Frank R. Niederman  
Frank R. Niederman  
Non-Public Arbitrator, Presiding Chair

11/12/01  
Signature Date

/s/ Phillip M. Petraitis  
Phillip M. Petraitis  
Non-Public Arbitrator

11/12/01  
Signature Date

**Dissenting Arbitrator's Signature**

/s/ Susan K. Franz  
Susan K. Franz  
Non-Public Arbitrator

11/12/01  
Signature Date

11/27/01  
Date of Service (For NASD-Dispute Resolution office use only)

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Frank R. Niederman  
Non-Public Arbitrator, Presiding Chair

11/12/01

Signature Date

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Non-Public Arbitrator

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Susan K. Franz  
Non-Public Arbitrator

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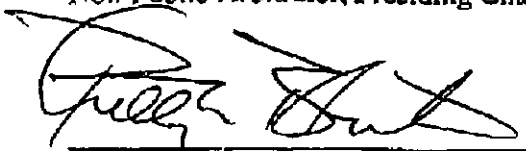
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