

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 00-04830

Diana B. Hubbard, Administrator of the Estate of Edward W. Hubbard, Jr.

Name of the Respondents

Hearing Site: Richmond, VA

Scott & Stringfellow, Inc.
Laurence C. Pettit, III

REPRESENTATION OF PARTIES

Claimant Diana B. Hubbard, Administrator of the Estate of Edward W. Hubbard, Jr. referred to as "Claimant": Mark J. Krudys, Esq., Richmond, VA.

Respondents, Scott & Stringfellow, Inc. ("Scott & Stringfellow") was represented by: Thomas J. McGonigle, Esq., Rochelle S. Hall, Esq. and Julie M. Russo, Esq. of the law firm of McGuireWoods LLP, Washington, DC.

Respondent Laurence C. Pettit, III ("Pettit") was represented by Craig T. Merritt, Esq. and Henry I. Willett, III, Esq. of the law firm of Christian & Barton, LLP, Richmond, VA.

CASE INFORMATION

Statement of Claim filed on: October 26, 2000

The original Uniform Submission Agreement was signed by Edward W. Hubbard, Jr.: on October 26, 2000

Amended State of Claim filed on: September 25, 2001

Claimant's Second Uniform Submission Agreement signed by Diana B. Hubbard, Administrator of the Estate of Edward W. Hubbard, Jr. on: undated, received September 26, 2001

Statement of Answer filed by Scott & Stringfellow on: January 10, 2001

Scott & Stringfellow's Answer to the Amended Statement of Claim: October 29, 2001

Scott & Stringfellow's Uniform Submission Agreement signed on: January 9, 2001

Statement of Answer filed by Pettit on: January 16, 2001

Pettit's Answer to the Amended Statement of Claim filed on: October 29, 2001

Pettit filed his Uniform Submission Agreement on: January 16, 2001

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; failure to recommend suitable investments; breach of contract; Scott & Stringfellow failed to properly supervise Pettit; fraud; violation of Virginia and Federal Securities Statutes; violations of Federal, State and NASD Rule and

Regulations; intentional/reckless infliction of mental anguish; and negligence. Claimant alleged that Scott & Stringfellow is vicariously liable for Pettit's wrongful actions. The causes of action relate to Respondents Pettit and Scott & Stringfellow's ("Respondents") alleged improper handling of Claimant's account by purchasing, among other things, speculative investments and improper trading including "wash" sales.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant fails to state facts sufficient to constitute a cause of action; Claimant ratified the transactions, Claimant failed to exercise the degree of care required of a prudent investor with respect to their financial affairs; Respondents acted properly and in good faith; the claim is barred by the doctrine of waiver and estoppel; and, the claim should be barred by the doctrines of contributory negligence and assumption of risk.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages of at least	\$250,000
Punitive Damages	\$350,000
Interest	9%
Attorneys' Fees	unspecified
Other Costs	unspecified

Respondents requested that the Panel dismiss claim in its entirety and award Respondents their costs, fees and expenses incurred in defending this action.

OTHER ISSUES CONSIDERED AND DECIDED

The parties agreed that the Award in this matter may be executed in counterpart copies.

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. That Respondent Scott & Stringfellow and Pettit are jointly and severally liable to Claimant and shall pay to Claimant the sum of \$90,500; no prejudgment interest is assessed to this amount.
2. That Claimant's claim for punitive damages is denied in its entirety.
3. That the parties shall bear their own costs and fees, including attorneys' fees, except as Fees are specifically addressed below.
4. That any and all requests for relief not specifically addressed herein are denied in their entirety.

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 = \$ 375

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. Accordingly, Scott & Stringfellow is a party.

Member surcharge = \$ 2,000

Pre-hearing process fee = \$ 600

Hearing process fee = \$ 3,500

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 23 and 24, 2001, adjourned by Claimant = fee waived

Forum Fees and Assessments

The Arbitrator (Panel) has assessed forum fees for each session conducted. A 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 (2) Pre-hearing sessions with Panel x \$1,200 = \$ 2,400

Pre-hearing conferences: July 11, 2001 1 session

September 12, 2001 1 session

Eleven (11) Hearing sessions x \$1,200 = \$13,200

Hearing Dates: April 8, 2002 2 sessions

April 9, 2002 2 sessions

April 10, 2002 2 sessions

April 11, 2002 2 sessions

April 13, 2002 3 sessions

Total Forum Fees = \$15,600

The Panel has assessed forum fees in the amount of \$15,600, jointly and severally to Respondents Scott & Stringfellow and Pettit.

Fee Summary

Claimant is assessed the following fee:

Initial Filing Fee	= \$ 375
Total Fees	= \$ 375
Less payments	= \$ 2,775
Refund to Claimant	= \$ 2,400

Scott & Stringfellow is assessed the following fee:

Member Fees	= \$ 6,100
Total Fees	= \$ 6,100
Less payments	= \$ 6,100
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

Scott & Stringfellow and Pettit are jointly and severally assessed:

Forum fees	= \$15,600
Balance Due NASD Dispute Resolution, Inc.	= \$15,600

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

ARBITRATION PANEL

Marvin P. Pastel	- -	Public Arbitrator, Chairperson
J. Alden Butler	-	Public Arbitrator, Panelist
James Edward Knowles	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Marvin P. Pastel

Marvin P. Pastel
Public Arbitrator, Presiding Chairperson

May 9, 2002
Signature Date

J. Alden Butler
Public Arbitrator, Panelist

Signature Date

James Edward Knowles
Non-Public Arbitrator, Panelist

Signature Date

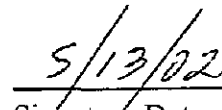
May 15, 2002
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Marvin P. Pastel
Public Arbitrator, Presiding Chairperson

Signature Date


J. Alden Butler
Public Arbitrator, Panelist


5/13/02
Signature Date

James Edward Knowles
Non-Public Arbitrator, Panelist

Signature Date

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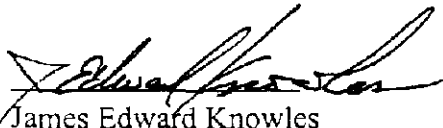
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J. Alden Butler
Public Arbitrator, Panelist

Signature Date


James Edward Knowles
Non-Public Arbitrator, Panelist

5/14/02
Signature Date

May 15, 2002
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