

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Robert R. Greenough and Karen Joan Greenough, (Claimants) vs. Solid ISG Capital Markets, LLC and Ronald G. Richer, (Respondents)

Case Number: 00-05212

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants Robert R. Greenough ("Mr. Greenough") and Karen Joan Greenough ("Mrs. Greenough"), hereinafter collectively referred to as "Claimants": John J. Phelan, III, Esq., PC, Attorney at Law, New York, NY.

Respondent, Solid ISG Capital Markets, LLC, ("ISG"): Russell G. Tisman, Esq., Groman, Ross & Tisman, P.C., Carle Place, NY.

Respondent, Ronald G. Richer, ("Richer") representing himself *pro se* in this matter. Previously represented by M. David Sayid, Esq., Sayid and Associates LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 22, 2000.
Claimants signed the Uniform Submission Agreement.

Statement of Answer filed by ISG: March 8, 2001.
Statement of Answer filed by Richer: January 28, 2001.
ISG signed the Uniform Submission Agreement: February 28, 2001.
Richer signed the Uniform Submission Agreement: September 23, 2002.

CASE SUMMARY

Claimants asserted the following causes of action: unauthorized trading; unsuitable investments; recommendations made through the use of false and misleading statements concerning the nature and quality of the recommended investments; improper use of margin loans and severe churning of the accounts, that is, overtrading the accounts of Claimants; failure of the Respondents to follow their own policies and procedures; failure of ISG to properly supervise and oversee the

activities of Richer; and noncompliance with Securities laws, By-Laws, and Rules of the Association, which caused Claimants to sustain financial loss. Claimants' claim involved various securities.

Unless specifically admitted in its Answer, ISG denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim is barred by the doctrines of laches, waiver and ratification; Claimants were experienced and knowledgeable investors, and in any event, had knowledge of and assumed the risks incident to investing in securities; any losses sustained by the Claimants were caused by and arise out of their assumption of such risks; Claimants knew and understood the risks associated with the investments made in their accounts and represented themselves as willing and able to assume those risks; Claimants authorized and directed the execution of all transactions in their accounts and accordingly, are estopped from claiming any losses with respect to these transactions; Claimants authorized and/or ratified the transactions in their accounts; Respondents acted in good faith and did not directly induce the alleged act or acts, if any, constituting alleged violations of law; the Statement of Claim must be denied due to the Claimants' own culpable conduct and negligence; the Statement of Claim is barred, in whole or in part, by the applicable statutes of limitation; the Statement of Claim must be denied due to the Claimants' failure to mitigate any alleged damages; according to the terms of the Customer Agreement, Claimants agreed, among other things, that the reports of the execution of orders and statements of Claimants' accounts would be conclusive if not objected to in writing within ten (10) days after such documents were transmitted to Claimants by mail or otherwise; at all times, Claimants promptly received written confirmation statements and statements of account which truly and accurately reflected the trading activity in their accounts; Claimants, therefore, are barred from asserting any claim for any improper conduct to the extent that written objection was not timely dispatched in accordance with the terms of the Customer Agreement; there is no basis whatsoever to award punitive damages or litigation expenses in this case; Respondents at all times acted in good faith and there is no evidence of the extraordinary level of maliciousness or intentional misconduct necessary for Claimants to recover the unusual award of punitive damages; Claimants have failed to allege, and cannot prove, the requisites of a claim under federal securities laws; ISG has a complete defense under § 20 of the Exchange Act that at all times mentioned in the Statement of Claim, it maintained an adequate and reasonable system of supervision and control over its employees; and Claimants are barred from recovery by his unclean hands.

Unless specifically admitted in his Answer, Richer denied the allegations made in the Statement of Claim and asserted the following defenses: Richer violated no written contract, no statute, no law, no rule and no regulation in connection with the allegations set forth in the Statement of Claim; Claimants assumed the risk of his transactions, and authorized the purchase and sale of all said transactions maintained with ISG; Claimants had or should have had full knowledge of all material facts concerning his securities accounts maintained with ISG; the Statement of Claim fails to state a cause of action upon which relief can be granted; Claimants waived any and all claims for relief they may otherwise have had against ISG; Claimants are estopped from asserting the purported claims set forth in the Statement of Claim; Claimants ratified and approved each and every transaction on which Claimants' claims purport to be based; and any and all relief sought by the Claimants are barred by the doctrine of unclean hands.

RELIEF REQUESTED

Claimants requested damages in the amount of or such amount as is established on the hearing of this matter for their losses, but no less than \$500,000.00, punitive damages in the amount of \$1,000,000.00 and attorneys' fees and the costs of this proceeding.

ISG requested that the Claimants' claims be rejected and that this arbitration proceeding should be dismissed.

Richer requested that the Statement of Claim be denied in its entirety; that Richer should be awarded costs, fees, expenses and reasonable attorneys' fees in an amount not less than \$25,000.00 incurred in defending Claimants' claims; and that the Arbitration Panel grant to Richer such other and further relief as justice and equity require.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing, Claimants voluntarily dismissed all claims against Richer without prejudice for renewal.

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

1. ISG is found liable and shall pay to Claimants compensatory damages in the sum of \$12,285.45.
2. All other requests for relief are hereby denied.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Ronald G. Richer's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Ronald G. Richer must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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:

Initial claim filing fee = \$ 500.00

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 event giving rise to the dispute. In this matter, ISG Solid Capital Markets, LLC is a party.

Member surcharge = \$ 2,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$ 4,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

September 24, 2002, adjourned by Richer = \$1,200.00

November 12, 20, and 21, 2002, adjourned by ISG = waived

Forum Fees and Assessments

The Panel assesses forum fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Number (1) Pre-hearing session with a single arbitrator x \$ 450 = \$ 450.00

Pre-hearing conference: July 10, 2002 1 session

One (1) Pre-hearing session with Panel x \$1,200.00 = \$ 1,200.00

Pre-hearing conference: April 11, 2002 1 session

Eleven (11) Hearing sessions x \$1,200 = \$13,200.00

Hearing Date: September 23, 2003 1 session

September 25, 2003 2 sessions

September 26, 2003 2 sessions

September 27, 2003 2 sessions

April 3, 2003 2 sessions

April 8, 2003 2 sessions

Total Forum Fees = \$ 14,850.00

1. The Panel has assessed \$6,825.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$6,825.00 of the forum fees against ISG.
3. The Panel has assessed \$1,200.00 of the forum fees against Richer.

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. ISG, requested tapes = \$ 135.00

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	= \$ 6,825.00
Total Fees	= \$ 7,325.00
<u>Less payments</u>	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 5,625.00

2. ISG is solely liable for:

Member Fees	= \$ 7,600.00
Administrative Costs	= \$ 135.00
<u>Forum Fees</u>	= \$ 6,825.00
Total Fees	= \$14,560.00
<u>Less payments</u>	= \$ 2,500.00
Balance Due NASD Dispute Resolution	= \$12,060.00

3. Richer is solely liable for:

Adjournment Fees	= \$ 1,200.00
<u>Forum Fees</u>	= \$ 1,200.00
Total Fees	= \$ 2,400.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,400.00


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

ARBITRATION PANEL

Barry Feiden	-	Public Arbitrator, Presiding Chair
Richard J. Schulman, Esq.	-	Public Arbitrator
Michael P. Golden	-	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 is which is my award.



Barry Feiden
Public Arbitrator, Presiding Chairperson

5/14/03
Signature Date

Richard J. Schulman, Esq.
Public Arbitrator

Signature Date

Michael P. Golden
Non-Public Arbitrator

Signature Date

May 21, 2003

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Barry Feiden	-	Public Arbitrator, Presiding Chair
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Michael P. Golden	-	Non-Public Arbitrator

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Barry Feiden
Public Arbitrator, Presiding Chairperson

Signature Date



Richard J. Schulman, Esq.
Public Arbitrator



Signature Date

Michael P. Golden
Non-Public Arbitrator

Signature Date

May 21, 2003

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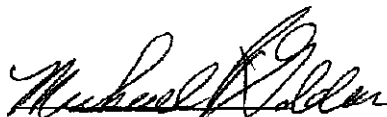
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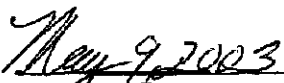
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