

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Robert L. Guzzino, Claimant v. Fordham Financial Management, Inc., Respondent

Case Number: 00-05768

Hearing Site: New Orleans, Louisiana

REPRESENTATION OF PARTIES

For Robert L. Guzzino, "Claimant": Jack G. Wheeler, Esq., Fraser, Morris & Wheeler, L.L.P., Lake Charles, Louisiana.

For Fordham Financial Management, Inc., "Respondent Fordham": Erik P. Weingold, Esq. and Barry R. Lax, Esq., Goldstein & Digiola, L.L.P., New York, New York.

CASE INFORMATION

Statement of Claim filed: December 28, 2000.

Claimant's Uniform Submission Agreement signed: December 11, 2000.

Statement of Answer and Cross Claim filed by Respondent Fordham: April 16, 2001.

Respondent Fordham's Uniform Submission Agreement signed: April 27, 2001.

CASE SUMMARY

Claimant alleged: 1) violations of Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. 78j(b) and Rule 10b-5 thereunder]; 2) violations of suitability and fair dealing rules, namely NASD Rules 2310 and IM-2310-2, and NYSE Rule 405; 3) churning; 4) breach of shingle theory obligation; 5) breach of fiduciary duty under the federal securities laws; 6) breach of shingle and fiduciary theory obligations as an act of fraud; 7) control person liability under Section 20(a) of the Exchange Act [15 U.S.C. 78t]; 8) violations of Louisiana Securities Law, namely La. R.S. 51:701 et seq; 9) control person liability under the Louisiana Securities Law, namely La. R.S. 51:714B; 10) violations of Louisiana Statutory Fraud Provision, namely La. Civil Code Article 2315; 11) violations of Louisiana Negligent Misrepresentation Provision, namely La. Civil Code Article 2315; 12) violations of Louisiana Statutory Negligence Provision, namely La. Civil Code Article 2316; 13) breach of agency principles; 14) breach of contract; and 15) breach of fiduciary duties. The causes of action relate to violations of federal and state securities laws, the NASD Conduct Rules and Louisiana state law, and resulted in Claimant sustaining substantial portfolio losses and paying excessive commissions and margin interest.

The securities that are the subject of Claimant's Statement of Claim include, but are not limited to, shares of International Game Technology, USWeb, Convergent Communications, Applied Digital Solutions, Aztec Technology Partners, Cornerstone Internet Solutions, Pharmaceuticals, Inc., and Alpha Microsystem.

Respondent Fordham denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted a cross claim for indemnification against Greg Stephen Mezzapesa.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$155,805.94; 2) margin interest in the amount of \$2,064.00; 3) commissions; 4) the spread and other compensation realized by Respondent on trades of securities in which Respondent Fordham made a market; 5) interest from December 29, 2000; 6) costs; and 7) attorneys' fees.

Respondent Fordham requested: 1) dismissal of the Claimant's Statement of Claim in its entirety; 2) indemnification of any and all awards and/or expenses that it will and has incurred in connection with the defense of the arbitration proceeding and/or to be held harmless with respect to any award rendered against it; and 3) such other relief the Panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On or about May 16, 2002, Greg Stephen Mezzapesa filed Chapter 7 Bankruptcy in the United States Bankruptcy Court, Eastern District of New York. Pursuant to the automatic stay under 11 U.S.C. Section 362(a), the Panel made no determination with respect to the claims asserted against Greg Stephen Mezzapesa.

On or about May 28, 2002, Claimant notified NASD Dispute Resolution that he would proceed forward with his claims against Respondent Fordham.

The parties 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, testimony, and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant's claims are denied in their entirety.
- 2) Claimant's request for attorneys' fees is denied.

- 3) All other relief requested, excluding any and all relief relating to Greg Stephen Mezzapesa, and not expressly granted is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
Cross claim filing fee	= \$1,000.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm, Respondent Fordham, is a party and the following fees are assessed:

Member Surcharge	= \$1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$2,500.00</u>
Total Member Fees	= \$4,600.00

Adjournment Fees

The following adjournment fees are assessed:

On or about March 18, 2002, the Panel granted Respondent Fordham's unopposed motion to adjourn the evidentiary hearing scheduled for March 20-22, 2002. The Panel assessed the adjournment fee of \$1,125.00 to Respondent Fordham.

On or about May 14, 2002, the Panel granted Respondent Fordham's unopposed motion to postpone the evidentiary hearing scheduled for May 15-17, 2002. The Panel assessed the adjournment fee of \$1,500.00 to Respondent Fordham.

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$ 2,250.00
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Pre-hearing conferences:	August 14, 2001	1 session	
	May 14, 2002	1 session	
(5) Hearing sessions @ \$1,125.00/session			= \$ 5,625.00
Hearings:	May 29, 2002	2 sessions	
	May 30, 2002	2 sessions	
	May 31, 2002	1 session	
Total Forum Fees			= \$ 7,875.00

The Panel assessed the total forum fees of \$7,875.00 to Respondent Fordham.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is charged with the following fees and costs:

<u>Initial Filing Fee</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ 300.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Fordham is charged with the following fees and costs:

Cross Claim Filing Fee	= \$ 1,000.00
Member Fees	= \$ 4,600.00
Adjournment Fee	= \$ 2,625.00
<u>Forum Fees</u>	= \$ 7,875.00
Total Fees	= \$16,100.00
<u>Less payments</u>	= \$ 5,724.66
Balance Due NASD Dispute Resolution, Inc.	= \$10,375.34

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

ARBITRATION PANEL

<i>Simon F. Savoie, Jr., CPA</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>A. Duncan McFarlane</i>	-	<i>Public Arbitrator</i>
<i>Walter A. Morales</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/

Simon F. Savoie, Jr., CPA
Chair, Public Arbitrator

Signature Date

/s/

A. Duncan McFarlane
Public Arbitrator

Signature Date

/s/

Walter A. Morales
Industry/Non-Public Arbitrator

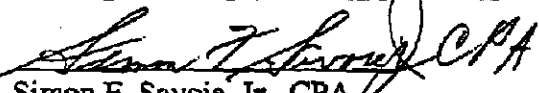
Signature Date

June 17, 2002
Date of Service

ARBITRATION PANEL

<i>Simon F. Savoie, Jr., CPA</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>A. Duncan McFarlane</i>	-	<i>Public Arbitrator</i>
<i>Walter A. Morales</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures


Simon F. Savoie, Jr., CPA
Chair, Public Arbitrator

6/17/02
Signature Date

A. Duncan McFarlane
Public Arbitrator

Signature Date

Walter A. Morales
Industry/Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

Simon F. Savoie, Jr., CPA
A. Duncan McFarlane
Walter A. Morales

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

Simon F. Savoie, Jr., CPA
Chair, Public Arbitrator

Signature Date

A. Duncan McFarlane
A. Duncan McFarlane
Public Arbitrator

6-13-02
Signature Date

Walter A. Morales
Industry/Non-Public Arbitrator

Signature Date

Date of Service

ARBITRATION PANEL

Simon F. Savoie, Jr., CPA
A. Duncan McFarlane
Walter A. Morales

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

Simon F. Savoie, Jr., CPA
Chair, Public Arbitrator

Signature Date

A. Duncan McFarlane
Public Arbitrator

Signature Date

Walter A. Morales
Walter A. Morales
Industry/Non-Public Arbitrator

6-11-02

Signature Date

Date of Service