

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

John W. Rylick, (Claimant) vs. Joseph Charles & Associates, Inc., (Respondent)

Case Number: 01-00065

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, John W. Rylick, hereinafter referred to as "Claimant": Eric A. Summerville, Esq., Summerville, Radding & Campbell, Jersey City, NJ.

Respondent, Joseph Charles & Associates, Inc., hereinafter referred to as "Respondent", did not make an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: January 2, 2001.

Claimant signed the Uniform Submission Agreement: November 29, 2000.

Respondent did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trading and unsuitability. Claimant's claim involved the stock of E. Chapman.Com, Inc.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$16,037.49, plus punitive damages in the amount of \$100,000.00, and the costs of this proceeding.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondent has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

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. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$9,068.85 as compensatory damages, plus interest at the rate of 6% accruing from December 10, 2001 until award is paid.
2. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$50,000.00 in punitive damages. The Panel awarded punitive damages based upon its finding that Respondent is liable for failure to supervise, falsification of opening account documents, unauthorized trading, and violation of margin regulations.
3. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$300.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution, Inc.
4. All other requests for relief are hereby 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	= \$ 300.00
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Adjournment Fees

Adjournments requested during these proceedings:

October 17, 2001, adjournment by Claimant = WAIVED

Forum Fees and Assessments

The Panel assesses 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 Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: August 21, 2001 1 session	
One (1) Hearing session x \$1,125.00	= \$1,125.00
Hearing Date: December 10, 2001 1 session	
Total Forum Fees	= \$2,250.00

The Panel has assessed all of the forum fees against Respondent.

Fee Summary

1. Claimant be and hereby is solely liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$1,425.00
Refund Due Claimant	= \$1,125.00

As stated in the "Award" section above, Respondent is liable and shall reimburse Claimant for the \$300.00 filing fee.

2. Respondent be and hereby is solely liable for:

<u>Forum Fees</u>	= \$2,250.00
Total Fees	= \$2,250.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,250.00

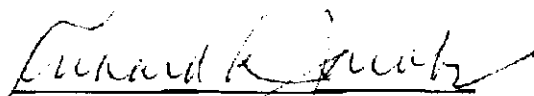
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Richard A. Jacobs	-	Public Arbitrator, Presiding Chair
Harry J. Diven, Jr.	-	Public Arbitrator
Alice J. Dutton	-	Industry 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 which is my award.



Richard A. Jacobs
Public Arbitrator, Presiding Chair

1/7/02
Signature Date

Harry J. Diven, Jr.
Public Arbitrator

Signature Date

Alice J. Dutton
Industry Arbitrator

Signature Date

January 14, 2002
Date of Service (For NASD office use only)

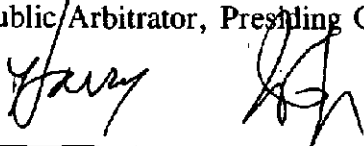
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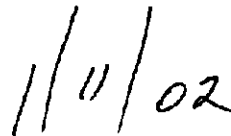
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Signature Date



Signature Date

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Industry Arbitrator

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Signature Date

Alice J. Dutton
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1/6/02
Signature Date

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