

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Robert C. Morris

Case No. 01-00090

Name of Respondents

Acument Securities, Inc. (f/n/a Thomas F. White & Co., Inc.)
Steven Kramer
White Discount Securities
U.S. Clearing, a div. of Fleet Securities, Inc.

Hearing Site: Philadelphia, PA

REPRESENTATION OF PARTIES

Claimant Robert C. Morris ("Claimant") was represented by: Sebastian M. Rainone, Esq. of the law firm of Rainone & Associates, Philadelphia, PA.

Respondent U.S. Clearing, a division of Fleet Securities, Inc. ("USC") was represented by: Peter Byer, Senior Counsel and Vice President of Quick & Reilly, a Fleet Boston Financial Company, New York, NY

Respondents Acument Securities, Inc. (f/n/a Thomas F. White & Co., Inc.), White Discount Securities, and Steve Kramer were represented by: Michael Bolgatz, Staff Attorney for Acument Securities, Inc., San Francisco, CA.

CASE INFORMATION

Statement of Claim filed on or about: January 8, 2001

Claimant signed the Uniform Submission Agreement on: December 1, 2000

Statement of Answer filed by USC on or about: March 30, 2001

USC's Uniform Submission Agreement was executed on: March 30, 2001

Joint Statement of Answer filed by Respondent Acument, White Discount Securities and Steve Kramer on or about: May 14, 2001

Respondent Acument, White Securities Discount and Kramer's Uniform Submission Agreement was executed on: May 14, 2001

CASE SUMMARY

Claimant alleged the following: Claimant placed stop loss orders in his accounts for Socket which traded under the symbol SCKT; the stop loss orders were accepted; SCKT later traded below the stop loss but Respondents did not execute the order in accordance with his instructions; after the stock had declined below the stop price Claimant called Kramer who later called Claimant to advise Claimant that SCKT was a bulletin board stock and that stop loss orders could not be executed on bulletin board stocks. Claimant alleged that Respondents are liable for his losses caused by their mishandling of Claimants' accounts.

Respondents denied all allegations of wrongdoing alleged by Claimant. Respondents maintained, among other things, that Claimant has not stated a claim upon which relief can be granted; the claim is overly vague; assumption of risk; contributory negligence; failure to exercise proper care; failure to mitigate; and Claimant's claim is barred by the doctrines of waiver, estoppel and ratification.

RELIEF REQUESTED

Claimant, in his Statement of Claim, requested:

| | |
|----------------------|-------------|
| Compensatory Damages | \$68,400 |
| Punitive Damages | \$30,000 |
| Interest | unspecified |
| Attorneys' Fees | unspecified |
| Other Costs | unspecified |

Respondents requested that Claimant's claim be dismissed in its entirety and that they be awarded arbitration fees, expenses, and reasonable attorneys fees.

OTHER ISSUES CONSIDERED AND DECIDED

On February 2, 2002, the panel granted USC's motion to dismiss so that USC was dismissed as a party before the hearings commenced.

Claimant made a Motion for Sanctions against Respondents Acument, White Securities and Kramer for inadequate discovery. This motion was denied.

The parties agreed that the panel could sign counterpart copies of the Award.

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. Claimant's claim is denied in its entirety.
2. Claimant's claim for punitive damages is denied in its entirety.
3. That the parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below.
4. Any and all other claims 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 | = \$225 |
|--------------------------|---------|

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

| | |
|-------------------------|-----------|
| Member surcharge | = \$1,000 |
| Pre-hearing process fee | = \$ 600 |
| Hearing process fee | = \$1,500 |

Forum Fees and Assessments

The arbitrator (panel) has the authority to assess forum fees for each hearing session conducted. A hearing 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:

| | |
|--|----------|
| One (1) Pre-hearing session with a single arbitrator x \$450 | = \$ 450 |
| Pre-hearing conference: January 15, 2002 one session | |

One (1) Pre-hearing session with Panel x \$750 = \$ 750
Pre-hearing conference: November 30, 2001 one session

Four (4) Hearing sessions x \$750 = \$3,000
Hearing Dates: March 6, 2002 two sessions
March 7, 2002 two sessions

Total Forum Fees = \$4,200

The Panel assessed forum fees in the amount of \$2,100 against Claimant.

The Panel assessed forum fees in the amount of \$2,100 against Respondent Acument.

Fee Summary

Claimant was assessed the following fees:

Initial Filing Fee = \$ 225
Forum Fees = \$2,100

Total Fees = \$2,325
Less payments = \$1,750

Balance Due NASD Dispute Resolution, Inc. = \$ 575

Respondent Acument was assessed the following fees:

Member Fees = \$3,100
Forum Fees = \$2,100

Total Fees = \$5,200
Less payments = \$3,100

Balance Due NASD Dispute Resolution, Inc. = \$2,100

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

| | | |
|---------------------|---|---------------------------------|
| Kenneth Stewart | - | Public Arbitrator, Chairperson |
| John Robert Harris | - | Public Arbitrator, Panelist |
| E. Robert Kent, Jr. | - | Non-Public Arbitrator, Panelist |

Concurring Arbitrators' Signatures

Kenneth Stewart

Kenneth Stewart
Public Arbitrator, Presiding Chair

April 15, 02

Signature Date

John Robert Harris
Public Arbitrator, Panelist

Signature Date

E. Robert Kent, Jr.
Non-Public Arbitrator, Panelist

Signature Date


April 16, 2002

Date of Service (For NASD-Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Kenneth Stewart
Public Arbitrator, Presiding Chair

Signature Date



John Robert Harris
Public Arbitrator, Panelist



Signature Date

E. Robert Kent, Jr.
Non-Public Arbitrator, Panelist

Signature Date



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Concurring Arbitrators' Signatures

Kenneth Stewart
Public Arbitrator, Presiding Chair

Signature Date

John Robert Harris
Public Arbitrator, Panelist

Signature Date


F. Robert Kent, Jr.
Non-Public Arbitrator, Panelist

4/15/02
Signature Date

April 16, 2002

Date of Service (For NASD-Dispute Resolution office use only)