

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Sherrie Quinton, Claimant v. Ragen MacKenzie, Inc., Respondent

Case Number: 01-00213

Hearing Site: Seattle, Washington

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**REPRESENTATION OF PARTIES**

For Claimant:

Chris R. Youtz, Esq.  
Sirianni & Youtz  
Seattle, Washington

For Respondent:

Michael J. Lawson, Esq.  
Steeffel Levitt & Weiss  
San Francisco, California

**CASE INFORMATION**

Statement of Claim filed on or about: January 12, 2001

Claimant's Arbitration Brief filed on or about: June 12, 2002

Claimant's Uniform Submission Agreement signed: November 28, 2000

Respondent's Statement of Answer filed on or about: April 27, 2001

Respondent's Arbitration Brief filed on or about: June 10, 2002

Respondent Ragen MacKenzie, Inc.'s ("RMI") Uniform Submission Agreement signed: April 20, 2001

**CASE SUMMARY**

Claimant alleged the following claims with respect to investments in various securities: 1) Securities Act of Washington; 2) Failure to Supervise; 3) Breach of Contract; 4) Breach of Fiduciary Duty; and 5) Consumer Protection Act.

Respondent denied Claimant's allegations of wrongdoing and denied any liability to Claimant. Respondent also asserted affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested:

1. Damages of at least \$1,240,968.78 under the Washington Securities Act or, alternatively, damages of at least \$2,079,000 under claims other than the Washington Securities Act;
2. Pre-judgment interest at the rate of 8% as provided by the Washington Securities Act, totaling at least \$331,067;
3. Reasonable attorneys' fees pursuant to the Washington Securities Act and the Washington Consumer Protection Act to be determined by the Panel; and
4. Treble damages, not to exceed an additional \$10,000, as provided by the Washington Consumer Protection Act.

Respondent requested:

1. That Claimant's Statement of Claim be dismissed in its entirety;
2. That Respondent be awarded its costs in this proceeding, including all forum fees; and
3. Such other just and further relief as the Arbitrators may deem appropriate.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

- 1) Respondent is liable for and shall pay to Claimant the sum of \$760,000.00 in compensatory damages.
- 2) Claimant's request for treble damages is denied.
- 3) Respondent is liable for and shall pay to Claimant the sum of \$80,000.00 in attorney's fees and costs.
- 4) Respondent is liable for and shall pay to Claimant interest on the aforementioned award amounts at the rate of 7% per annum from the date of service of this award until paid.
- 5) All other relief not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD-DR received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$500.00
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#### **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. Accordingly, RMI is a party and the following fees are assessed:

Member Surcharge	= \$2,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$4,500.00</u>
Total Member Fees	= \$7,600.00

#### **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:

(1) Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$1,200.00
Pre-hearing conference: February 4, 2002	1 session

(7) Hearing sessions @ \$1,200.00/session	= \$8,400.00
Hearings: June 24, 2002	1 session
June 25, 2002	2 sessions
June 26, 2002	2 sessions
June 27, 2002	2 sessions

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<b>Total Forum Fees</b>	<b>= \$9,600.00</b>
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The Panel assessed \$4,800.00 of the forum fees to Claimant.

The Panel assessed \$4,800.00 of the forum fees to Respondent, RMI.

**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.

The parties did not incur administrative costs.

**Fee Summary**

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 4,800.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$ 5,300.00
<u>Less Payments</u>	= \$(1,700.00)
Balance Due NASD-DR	= \$ 3,600.00

2. Respondent, RMI, is charged with the following fees and costs:

Member Fees	= \$ 7,600.00
Forum Fees	= \$ 4,800.00
<u>Administrative Costs</u>	= \$ 0.00
Total Fees	= \$12,400.00
<u>Less Payments</u>	= \$ (7,600.00)
Balance Due NASD-DR	= \$ 4,800.00

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

**ARBITRATION PANEL**

Douglas Martin Crow	-	Public Arbitrator, Presiding Chair
Ronald L. Peters, J.D.	-	Public Arbitrator
Peter G. Walker	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Douglas Martin Crow  
Chair, Public Arbitrator

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Signature Date

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Ronald L. Peters, J.D.  
Public Arbitrator

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Signature Date

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Peter G. Walker  
Non-Public Arbitrator

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Signature Date

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Date of Service


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Chair, Public Arbitrator

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Signature Date

  
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Ronald L. Peters, J.D.  
Public Arbitrator

8.17.02  
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Signature Date

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Peter G. Walker  
Non-Public Arbitrator

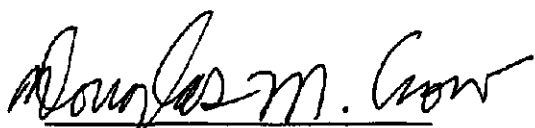
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8/21/02  
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Date of Service

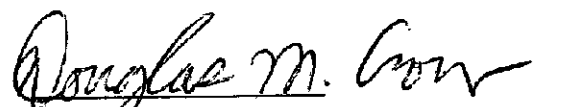
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Douglas Martin Crow  
Chair, Public Arbitrator

  
Signature Date 8-10-02

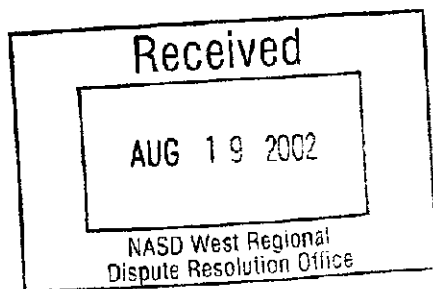
Ronald L. Peters, J.D.  
Public Arbitrator

Signature Date

Peter G. Walker  
Non-Public Arbitrator

Signature Date

8/21/02  
Date of Service



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Douglas Martin Crow  
Chair, Public Arbitrator

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Signature Date

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Ronald L. Peters, J.D.  
Public Arbitrator

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Signature Date

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Peter G. Walker  
Non-Public Arbitrator

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8/7/02  
Signature Date

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8/21/02  
Date of Service