

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Fred Hurst, (Claimant) vs. Prime Charter, Ltd., Morton Gropper and Bruce Gropper
(Respondents)

Case Number: 01-00276

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Fred Hurst, hereinafter referred to as "Claimant", appeared *pro se*. Represented at the hearing in this matter by: Kent Gross, Esq., New York, NY.

Respondent, Prime Charter, Ltd., hereinafter referred to as "Prime Charter": Evelyn Bukchin, Esq., Karen M. Cullen, Esq. and Kevin B. Hurley, Esq., Prime Charter, Ltd., New York, NY.

Respondents, Morton Gropper ("M. Gropper") and Bruce Gropper ("B. Gropper"): Stuart A. Jackson, RE, Parser & Partners, New York, NY. Previously represented by Karen M. Cullen, Esq., Prime Charter, Ltd., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 16, 2001.

Claimant signed the Uniform Submission Agreement: January 5, 2001.

Statement of Answer filed by Respondents Prime Charter and Gropper on or about: March 15, 2001.

Respondents Prime Charter, M. Gropper and B. Gropper signed the Uniform Submission Agreement: March 15, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability; unauthorized trading on margin; breach of fiduciary duty; breach of contract; negligence; undue influence; fraudulent misrepresentation; violation of securities industry standards; and failure to supervise. The causes of action relate to losses sustained through margin trading.

Unless specifically admitted in its Answer, Respondents Prime Charter, M. Gropper and B. Gropper denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant's claims are barred by the doctrines of estoppel, waiver and ratification; the claim for damages should be precluded because any losses sustained were the direct result of Claimant's own conduct, and not by the actions or omissions of Respondents Prime Charter, M. Gropper and B. Gropper; Claimant expressly authorized every transaction in his account; Claimant knowingly assumed the risk of his investments; and Claimant had full control of his account and any losses incurred were the result of market fluctuations.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$47,189.00.

Respondents Prime Charter, M. Gropper and B. Gropper requested dismissal of Claimant's claims in their entirety; reimbursement for all costs, fees and expenses of these proceedings; and such other relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

1. Claimant's claims are hereby dismissed in their entirety.
2. Respondents M. Gropper and B. Gropper are liable for and shall pay to Claimant the sum of \$175.00 to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution, Inc.
3. All other requests for relief are denied.

FEEES

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	= \$ 175.00
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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 that employed the associated persons at the time of the events giving rise to the dispute. In this matter, Prime Charter is a party.

Member surcharge	= \$ 800.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 1,000.00

Adjournment Fees

Adjournments requested during these proceedings:

January 24 & 25, 2002, adjournment by Respondents M. and B. Gropper	= \$ 450.00
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Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: June 25, 2001	1 session
Four (4) Hearing sessions x \$450.00	= \$ 1,800.00
Hearing Dates: June 11, 2002	2 sessions
June 14, 2002	2 sessions
Total Forum Fees	= \$ 2,250.00

1. The Arbitrator has assessed \$1,125.00 of the forum fees against Respondent M. Gropper.
2. The Arbitrator has assessed \$1,125.00 of the forum fees against Respondent B. Gropper.

Fee Summary

1. Claimant be and hereby is solely liable for:

<u>Initial Filing Fee</u>	= \$ 175.00
<u>Total Fees</u>	= \$ 175.00
<u>Less payments</u>	= \$ 625.00
<u>Refund Due Claimant</u>	= \$ 450.00

As stated in the "Award" section above, Respondents M. Gropper and B. Gropper are liable for and shall reimburse Claimant for the \$175.00 filing fee.

2. Respondent Prime Charter be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 2,400.00
<u>Total Fees</u>	= \$ 2,400.00
<u>Less payments</u>	= \$ 3,450.00
<u>Refund Due Respondent Prime Charter</u>	= \$ 1,050.00

3. Respondent M. Gropper be and hereby is solely liable for:

<u>Forum Fee</u>	= \$ 1,125.00
<u>Total Fees</u>	= \$ 1,125.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$ 1,125.00

4. Respondent B. Gropper be and hereby is solely liable for:

<u>Forum Fee</u>	= \$ 1,125.00
<u>Total Fees</u>	= \$ 1,125.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$ 1,125.00

5. Respondents M. Gropper and B. Gropper are jointly and severally liable for:

<u>Adjournment Fee</u>	= \$ 450.00
<u>Total Fees</u>	= \$ 450.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$ 450.00

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


ARBITRATION PANEL

Eric P. Nachman, Esq.

Public Arbitrator

Arbitrator's Signature

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.


Eric P. Nachman, Esq.
Public Arbitrator


Signature Date

July 16, 2002
Date of Service (For NASD office use only)