

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

G. Keith Dolan, Claimant v. Royal Hutton Securities Corp., Michael F. Dobbs, and
John T. Pisapia, Respondents

Case Number: 01-00435

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimant:

Arthur Leider
Investors Arbitration
Specialists, Inc.
San Diego, California

For Respondent Royal Hutton Securities Corp.:

Michael Joie
Royal Hutton Securities Corp.
New York, New York

For Respondent Michael F. Dobbs:

Michael F. Dobbs
In Pro Per
Bronx, New York

For Respondent John T. Pisapia:

Michael Utila, Esq.
The Law Offices of
Utila & Associates
Brooklyn, New York

CASE INFORMATION

Statement of Claim filed: January 25, 2001

Amended Statement of Claim filed: May 22, 2001

Claimant's Uniform Submission Agreement signed: October 4, 2000

Statement of Answer to Claimant's Amended Statement of Claim filed by Respondent John T. Pisapia:
August 27, 2001

CASE SUMMARY

In the Amended Statement of Claim, Claimant alleged breach of fiduciary duty, negligence, misrepresentation, omissions, fraud, churning, and violation of California Blue Sky Laws. The dispute involved the purchase and/or sale of Worldwide Data Inc. and Microtest Inc. stock.

Respondent John T. Pisapia denied the allegations of wrongdoing set forth in Claimant's Amended Statement of Claim.

Respondents Royal Hutton Securities Corp. and Michael F. Dobbs did not file a Statement of Answer to Claimant's Original or Amended Statement of Claim.

RELIEF REQUESTED

In his Amended Statement of Claim, Claimant requested \$100,000.00 in compensatory damages, unspecified punitive damages, pre and post award interest, and arbitration costs, including legal fees.

Respondent John T. Pisapia requested dismissal of the Claimant's Amended Statement of Claim in its entirety, expungement of all references of this matter from his CRD record, sanctions assessed to Claimant, and arbitration costs.

OTHER ISSUES CONSIDERED AND DECIDED

On May 22, 2001, Claimant filed an Amended Statement of Claim pursuant to the NASD Code of Arbitration Procedure Rule 10328(a). Claimant's Amended Statement of Claim added John T. Pisapia as a Respondent.

On September 29, 2002, NASD Dispute Resolution received notice that Claimant dismissed Respondent John T. Pisapia.

Upon review of the file and the representations made on behalf of the Claimant, the undersigned Panel determined that Respondents Royal Hutton Securities Corp. and Michael F. Dobbs were properly served with the Original and Amended Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents Royal Hutton Securities Corp. and John T. Pisapia did not file with the NASD Dispute Resolution properly executed submission agreements but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

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

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

- 1) Respondents Royal Hutton Securities Corp. and Michael F. Dobbs are jointly and severally liable to and shall pay Claimant \$67,085.00 in compensatory damages.
- 2) Respondents Royal Hutton Securities Corp. and Michael F. Dobbs are jointly and severally liable to and shall pay Claimant interest on the sum of \$67,085.00 at the rate of 10% per annum simple interest from April 28, 2001 until award is paid in full.
- 3) Claimant's request for punitive damages is denied.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 225.00
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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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Royal Hutton Securities Corp. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
Total Member Fees	= \$ 1,600.00

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 Panel/Chair. The following fees are assessed:

1 Pre-hearing conference session with the Chair @ \$ 450.00/session = \$ 450.00
Pre-hearing conference: September 18, 2002 1 session

1 Pre-hearing conference session with the Panel @ \$ 750.00/session = \$ 750.00
Pre-hearing conference: May 22, 2002 1 session

1 Hearing session @ \$ 750.00/session = \$ 750.00
Hearing: November 7, 2002 1 session

Total Forum Fees = \$ 1,950.00

The Panel assessed \$ 1,950.00 of the forum fees jointly and severally to Respondents Royal Hutton Securities Corp. and Michael F. Dobbs.

Fee Summary

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

Initial Filing Fee	= \$ 225.00
<u>Less payments</u>	= \$(975.00)
Refund Due Claimant	= \$(750.00)

2. Respondent Royal Hutton Securities Corp. and Michael F. Dobbs are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,950.00
Balance Due NASD Dispute Resolution	= \$ 1,950.00

3. Respondent Royal Hutton Securities Corp. is charged with the following fees and costs:

<u>Member Fees</u>	= \$ 1,600.00
Balance Due NASD Dispute Resolution	= \$ 1,600.00

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

ARBITRATION PANEL

Mandel E. Hincelstein, Esq.	Public Arbitrator, Presiding Chair
William L. Merkin, Esq.	Public Arbitrator
Mason A. Dinchart, III	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Mandel E. Hincelstein, Esq.
Chair, Public Arbitrator

Signature Date

William L. Merkin, Esq.
Public Arbitrator

Signature Date


Mason A. Dinchart, III
Non-Public Arbitrator

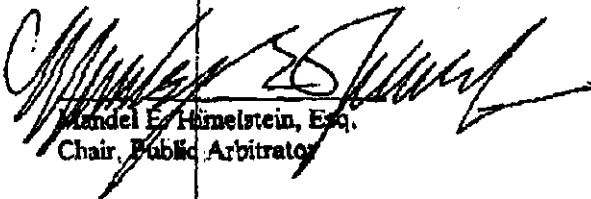
11-15-02
Signature Date

11/15/02
Date of Service

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William L. Merkin, Esq.	-	Public Arbitrator
Mason A. Dinehart, III	-	Non-Public Arbitrator

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