

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

R.K. Grace & Company

Case No. 01-00528

Hearing Site: Boca Raton, Florida

Name of Respondent

Arthur McDonnell

REPRESENTATION OF PARTIES

For R.K. Grace & Company ("R.K.") hereinafter referred to as "Claimant": Stephen A. Mendelsohn, Esq., Rutherford, Mulhall & Wargo, P.A., Boca Raton, Florida.

Respondent Arthur McDonnell ("McDonnell") appeared pro se but did not attend the evidentiary hearing.

CASE INFORMATION

Statement of Claim filed on or about: January 29, 2001.

Claimant signed the Uniform Submission Agreement: January 29, 2001.

Respondent McDonnell did not file a Statement of Answer or an executed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted that Respondent breached his Margin and Client Agreements with Claimant.

RELIEF REQUESTED

Claimant requested compensatory damages of \$97,011.97, plus interest, attorney's fees and the costs of this proceeding.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not attend the evidentiary hearing in this matter. Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondent McDonnell 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 said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent McDonnell 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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent McDonnell is liable and shall pay to Claimant the sum of \$97,011.97 as compensatory damages, pre-judgment interest specifically excluded. Damages are awarded based upon Respondent's breach of his Margin and Client Agreements with Claimant.

Respondent McDonnell is liable and shall pay to Claimant the sum of \$1,000.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution, Inc.

Any and all requests for relief not specifically addressed herein are 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	= \$1,000.00
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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 person at the time of the events giving rise to the dispute. In this matter, R.K. Grace and Company was a member firm until May 1, 2001. Thereafter, R.K. Grace continued to actively appear in this arbitration proceeding.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Adjournment Fees

No adjournments were requested during these proceedings.

Forum Fees and Assessments

The panel has the authority to assess 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:

Two (2) Pre-hearing sessions with Panel x \$750.00	= \$1,500.00
Pre-hearing conferences: July 9, 2001	1 session
August 20, 2001	1 session
Two (2) Hearing sessions x \$750.00	= \$1,500.00
Hearing Dates: January 2, 2002	2 sessions
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Total Forum Fees	= \$3,000.00

The panel has assessed \$1,500.00 of the forum fees to Claimant.

The panel has assessed \$1,500.00 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$3,100.00
Forum Fees	= \$1,500.00

Total Fees	= \$5,600.00
Less payments	= \$3,350.00

Balance Due NASD Dispute Resolution, Inc.	= \$2,250.00
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Respondent McDonnell be and hereby is solely liable for:

Forum Fees	= \$1,500.00
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Total Fees	= \$1,500.00
Less payments	= \$ 0.00

Balance Due NASD Dispute Resolution, Inc.	= \$1,500.00
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All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon

receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

<i>Neil J. Berman, Esq.</i>	-	<i>Public Arbitrator, Presiding Chair</i>
<i>Martin Weinberg</i>	-	<i>Public Arbitrator</i>
<i>Shirley Sachs</i>	-	<i>Non-Public Arbitrator</i>

Arbitrators' Signatures

_____/s/_____
Neil J. Berman, Esq.
Public Arbitrator, Presiding Chair
This arbitrator respectfully dissents
from the decision to deny Claimant's request
for pre-judgment interest and the assessment of
forum fees.

Signature Date

_____/s/_____
Martin Weinberg
Public Arbitrator

Signature Date

_____/s/_____
Shirley Sachs
Non-Public Arbitrator

Signature Date

February 11, 2002
Date of Service (For NASD-Dispute Resolution office use only)


receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Neil J. Berman, Esq.
Martin Weinberg
Shirley Sachs

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

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Neil J. Berman, Esq.
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forum fees.

2/8/02
Signature Date

Martin Weinberg
Public Arbitrator

Signature Date

Shirley Sachs
Non-Public Arbitrator

Signature Date

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

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Signature Date


Martin Weinberg
Public Arbitrator

2/11/02
Signature Date

Shirley Sachs
Non-Public Arbitrator

Signature Date

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

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RECEIVED

FEB 11 2002

receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

FL ARBITRATION

ARBITRATION PANEL

Neil J. Berman, Esq.

Public Arbitrator, Presiding Chair

Martin Weinberg

Public Arbitrator

Shirley Sachs

Non-Public Arbitrator

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Neil J. Berman, Esq.

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Martin Weinberg

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Signature Date

Non-Public Arbitrator

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