

Award
NASD

In the Matter of the Arbitration Between

Names of the Claimants

Dorothy E. Bittner Family Trust
Dorothy E. Bittner

Case Number: 01-00530

Names of the Respondents

Royal Alliance Associates, Inc.
Russian River Financial Services, Inc.
Jeffrey M. Ambrosio

Hearing Site: Tampa, FL

REPRESENTATION OF PARTIES

For Dorothy E. Bittner Family Trust (the "Trust") and Dorothy E. Bittner ("Bittner"), hereinafter collectively referred to as "Claimants": Patrick A. Davis, Esq., Clearwater, FL.

For Royal Alliance Associates, Inc. ("RAA"): Maya M. Wolfe, Esq., Fowler White Boggs Banker P.A., Tampa, FL.

For Russian River Financial Services, Inc. ("Russian"): Michael R. Catania, President, Russian, Healdsburg, CA.

Jeffrey M. Ambrosio ("Ambrosio") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: January 31, 2001.

Amended Statement of Claim filed on or about: January 24, 2002.

Claimants signed the Uniform Submission Agreement: January 16, 2001.

Statement of Answer filed by Respondent RAA on or about: June 22, 2001.

Statement of Answer to Amended Statement of Claim filed by Respondent RAA on or about: March 20, 2002.

Respondents Russian and Ambrosio did not file Statements of Answer.

Respondents RAA, Russian, and Ambrosio did not file executed Uniform Submission Agreements.

Claimants' Motion for Default filed on or about: October 26, 2001.

Motion to Permit Amendment to Statement of Claim filed by Claimants on or about: January 24, 2002.

CASE SUMMARY

Claimants asserted the following causes of action: violation of section 517.301 Florida Securities and Investor Protection Act; misrepresentation; omission; common law fraud; breach of fiduciary duty; negligence; violation of Chapter 772, the Florida Civil Remedies for Criminal

Practices Act; and, civil theft. The causes of action relate to the purchase of Select Access Management, Ohana Venture, and Ambrosio & Sirios VIII stocks in Claimants' account.

Unless specifically admitted in its Answer, Respondent RAA denied the allegations made in the Statement of Claim and asserted various affirmative defenses including: estoppel; waiver; and, ratification.

RELIEF REQUESTED

Claimants requested compensatory damages of between \$100,000.00 and \$500,000.00 plus pre-judgment interest, costs, attorneys' fees, treble/punitive damages, and such other relief as the undersigned arbitrators (the "Panel") deemed appropriate.

Respondent RAA requested dismissal of the Statement of Claim, costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about November 16, 2001, the Panel issued an order which granted Claimant's Motion for Default as to Respondents Russian and Ambrosio.

On or about February 28, 2002, the Panel issued an order which granted Claimant's motion to amend their Statement of Claim.

On or about April 26, 2002, Claimants filed a Voluntary Dismissal With Prejudice as to Respondent RAA.

Respondent RAA did not file with NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

Respondents Russian and Ambrosio did not file with NASD properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

Respondents Russian and Ambrosio did not appear at the evidentiary hearing. Upon review of the file and the representations made by/on behalf of the Claimants, the Panel determined that Respondents Russian and Ambrosio have 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 Respondents present, in accordance with the Code.

The parties present at the hearing agreed that the Award in this matter may be executed in counterpart copies.

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:

Respondents Russian and Ambrosio are liable, jointly and severally, for common law fraud, violation of Florida Statutes section 517, and breach of fiduciary duty, and shall pay to Claimants compensatory damages in the sum of \$15,240.00 plus interest in the sum of \$20,194.00.

Respondents Russian and Ambrosio are liable, jointly and severally, for fraud and breach of fiduciary duty, and shall pay to Claimants punitive damages in the sum of \$70,000.00.

Respondents Russian and Ambrosio are liable, jointly and severally, and shall pay to Claimants the sum of \$300.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD.

The issues of entitlement to and amount, if any, of attorneys' fees and costs shall be determined by a court of competent jurisdiction.

Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$300.00

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.

For Respondent RAA, a member firm:

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$2,500.00

For Respondent Russian, no longer a member firm:

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

Adjournment Fees

Adjournments requested during these proceedings:

No requests for adjournment were filed in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Two (2) Pre-hearing sessions with Panel @ \$1,125.00	= \$2,250.00
Pre-hearing conferences: November 16, 2001 1 session	
February 28, 2002 1 session	
Two (2) Hearing sessions @ \$1,125.00	= \$2,250.00
Hearing Date: May 14, 2002 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$4,500.00

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Claimants.

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Respondents RAA, Russian, and Ambrosio.

The Panel has assessed \$2,250.00 of the forum fees jointly and severally to Respondents Russian and Ambrosio.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$300.00
Forum Fees	= \$1,125.00
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Total Fees	= \$1,425.00
Less payments	= \$1,425.00
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Balance Due NASD	= \$0.00

Respondent RAA is solely liable for:

Member Fees	= \$4,600.00
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Total Fees	= \$4,600.00
Less payments	= \$4,600.00
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Balance Due NASD	= \$0.00

Respondent Russian is solely liable for:

Member Fees	= \$2,100.00
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Total Fees	= \$2,100.00
Less payments	= \$0.00
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Balance Due NASD	= \$2,100.00

Respondents RAA, Russian, and Ambrosio are jointly and severally liable for:

Forum Fees	= \$1,125.00
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Total Fees	= \$1,125.00
Less payments	= \$1,125.00
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Balance Due NASD	= \$0.00

Respondents Russian, and Ambrosio are jointly and severally liable for:

Forum Fees	= \$2,250.00
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Total Fees	= \$2,250.00
Less payments	= \$0.00
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Balance Due NASD	= \$2,250.00

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

ARBITRATION PANEL

Jacob I. Levine	-	Public Arbitrator, Presiding Chair
Kathryn M. Welsh, J.D.	-	Public Arbitrator
Robert N. Hagemeyer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

Jacob I. Levine
Public Arbitrator, Presiding Chair

Signature Date

/s/

Kathryn M. Welsh, J.D.
Public Arbitrator

Signature Date

/s/

Robert N. Hagemeyer
Non-Public Arbitrator

Signature Date

June 25, 2002

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

06/24/2002 13:29 5613614306

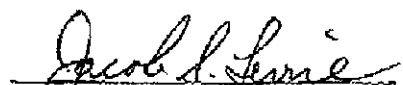
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6/24/02
Signature Date

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Public Arbitrator

Signature Date

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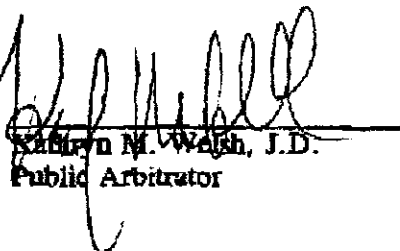
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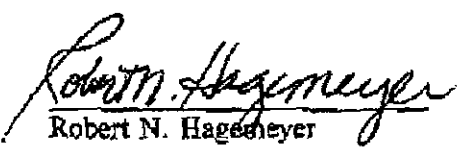
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