

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Tezoro, Inc., Claimant v. Raymond James & Associates, Inc., Raymond James Financial Services, Inc., Raymond James Advisory Services, Inc., and Robert Damigella, Respondents

Case Number: 01-01668

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For Tezoro, Inc., hereinafter referred to as "Claimant": Kenneth S. Sandler, Esq., Kenneth S. Sandler, P.A., Hollywood, Florida.

For Robert D. Damigella, Raymond James & Associates, Inc. ("RJA"), Raymond James Advisory Services, Inc. ("RJAS"), and Raymond James Financial Services, Inc. ("RJFS"), hereinafter referred to as "Respondents": David J. Rice, Assistant Vice President, Associate Corporate Counsel, RJFS, St. Petersburg, Florida.

CASE INFORMATION

Statement of Claim filed on or about: April 03, 2001.

Claimant's Uniform Submission Agreement signed: January 17, 2001.

Statement of Answer filed by Respondents RJFS and Damigella on or about: June 6, 2001.

Uniform Submission Agreement signed by Respondent Damigella: June 1, 2001.

Uniform Submission Agreement signed by Respondent RJFS: June 1, 2001.

Respondent RJA did not file a Statement of Answer.

Respondent RJA did not file an executed Uniform Submission Agreement.

Respondent RJAS did not file a Statement of Answer.

Respondent RJAS did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimants alleged the following causes of action: 1) violation of §517 of the Florida Securities Act; 2) breach of fiduciary duty; 3) fraud; 4) breach of contract; 5) negligence; 6) improper margin trading; and 7) failure to supervise. The causes of action relate to the investments in shares of stock in CMGI, Inc., Carnival Cruise Lines, and IBM.

Respondents RJFS and Damigella denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim, asserted various affirmative defenses, and filed a Counterclaim which asserted Claimant had a negative balance in its account.

RELIEF REQUESTED

Claimant requested in its Statement of Claim, compensatory and punitive damages, interest, and costs against Respondents in the amount of \$343,850.00.

Respondents RJFS and Damigella requested: 1) dismissal of Claimant's cause of action; 2) forum fees; 3) reimbursement of their fees and costs; and 4) such other relief as the Panel deemed just and proper.

In their counterclaim, Respondents RJFS and Damigella requested the amount of \$6,300.00, plus prejudgment interest.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents RJA and RJAS did not file with the NASD Dispute Resolution, Inc. properly executed submissions to arbitration, but are required to submit to arbitration pursuant to the NASD Code of Arbitration (the "Code"), and are bound by the determination of the Panel on all issues submitted.

At the evidentiary hearing, Claimant and Respondents agreed that RJAS and RJA are not proper parties to this matter. As such, the Claimant and Respondents stipulated on the record that RJFS and Damigella are the only proper parties to be joined in this arbitration. The Panel accepted the parties' stipulation.

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, the undersigned arbitrators (the "Panel") decided in full and final resolution of the issues submitted for determination as follows:

- 1) The Panel finds Respondents RJFS and Damigella liable for the common law claim of negligence; Respondents are not jointly and severally liable.
- 2) Respondent RJFS shall pay Claimant compensatory damages in the amount of \$79,500.00.
- 3) Respondent RJFS is liable for reimbursement of \$150.00, which represents 50% of Claimant's initial claim filing fee of \$300.00 previously paid to NASD Dispute Resolution, Inc.
- 4) Respondent Damigella shall pay Claimant compensatory damages in the amount of \$26,500.00.
- 5) Respondent Damigella is liable for reimbursement of \$150.00, which represents 50% of Claimant's initial claim filing fee of \$300.00 previously paid to NASD Dispute Resolution, Inc.
- 6) The Panel denied Respondents' RJFS and Damigella's counterclaim.
- 7) Claimant's request for punitive damages is denied.
- 8) 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, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$	300.00
Counterclaim filing fee	= \$	500.00

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. The member firm Raymond James Financial Services, Inc. is a party to this dispute and was a member at the time the following fees were assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 2,500.00
Total Member Fees	= \$ 4,600.00

Adjournment Fees

No adjournment fees are assessed.

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:

One (1) Pre-hearing conference session with the Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: September 20, 2001 1 session	

One (1) Pre-hearing conference session with one Arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: September 26, 2001 1 session	

Five (5) Hearing sessions with the Panel @ \$1,125.00	= \$ 5,625.00
Hearing: March 19, 2002 2 sessions	
March 20, 2002 2 sessions	
March 21, 2002 1 session	

Total Forum Fees	= \$ 7,200.00
-------------------------	----------------------

The Panel assessed forum fees in the amount of \$3,600.00 to Respondent RJFS.

The Panel assessed forum fees in the amount of \$3,600.00 to Respondent Damigella.

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.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is charged with the following fees and costs:

<u>Initial Filing Fee</u>	= \$	300.00
<u>Total Fees</u>	= \$	300.00
<u>Less payments</u>	= \$	300.00
Balance Due NASD Dispute Resolution, Inc.	= \$	0.00

Respondent RJFS is charged with the following fees and costs:

Member Fees	= \$	4,600.00
<u>Forum Fees</u>	= \$	3,600.00
<u>Total Fees</u>	= \$	8,200.00
<u>Less payments</u>	= \$	6,800.00
Balance Due NASD Dispute Resolution, Inc.	= \$	1,400.00

Respondent Damigella is charged with the following fees and costs:

<u>Forum Fees</u>	= \$	3,600.00
<u>Total Fees</u>	= \$	3,600.00
<u>Less payments</u>	= \$	0.00
Balance Due NASD Dispute Resolution, Inc.	= \$	3,600.00

Respondents RJFS and Damigella are charged with the following fees and costs jointly and severally:

<u>Counterclaim filing fee</u>	= \$	500.00
<u>Total Fees</u>	= \$	500.00
<u>Less payments</u>	= \$	500.00
Balance Due NASD Dispute Resolution, Inc.	= \$	0.00

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

ARBITRATION PANEL

<i>Will Murphy, Esq.</i>	-	<i>Public Presiding Chair</i>
<i>Norman L. Weiss</i>	-	<i>Public Arbitrator</i>
<i>David M. Levine</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Will Murphy, Esq.
Chair, Public Arbitrator

Signature Date

/s/
Norman L. Weiss
Public Arbitrator

Signature Date

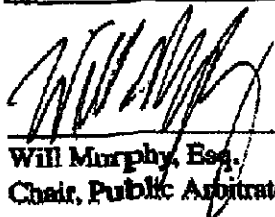
/s/
David M. Levine
Non-Public Arbitrator

Signature Date

May 2, 2002
Date of Service

NASD Dispute Resolution, Inc.
Arbitration No. 01-01668
Award Page 6 of 6

Concurring Arbitrators' Signatures



Will Murphy, Esq.
Chair, Public Arbitrator



Signature Date

Norman L. Weiss
Public Arbitrator

Signature Date

David M. Levine
Non-Public Arbitrator

Signature Date

Date of Service

NASD Dispute Resolution, Inc.
Arbitration No. 01-01668
Award Page 6 of 6

Concurring Arbitrators' Signatures

Will Murphy, Esq.
Chair, Public Arbitrator



Norman L. Weiss
Public Arbitrator

David M. Levine
Non-Public Arbitrator

Signature Date

May 1, 2002
Signature Date

Signature Date

Date of Service

NASD Dispute Resolution, Inc.
Arbitration No. 01-01668
Award Page 6 of 6


Concurring Arbitrators' Signatures

Will Murphy, Esq.
Chair, Public Arbitrator

Signature Date

Norman L. Weiss
Public Arbitrator

Signature Date


David M. Levine
Non-Public Arbitrator

4/29/02
Signature Date

Date of Service