

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
John and Gloria Ehrler

Case Number: 01-02208

Name of the Respondents
First Security Investments, Inc.; and
Anthony W. Chen

Hearing Site: St. Louis, Missouri

REPRESENTATION OF PARTIES

Claimants John and Gloria Ehrler, hereinafter referred to as "Claimants": Steven W. Koslovsky, Esq. of the firm of Blumenfeld, Kaplan & Sandweiss, P.C., St. Louis, Missouri.

Respondents First Security Investments, Inc. ("First") and Anthony W. Chen ("Chen") hereinafter collectively referred to as "Respondent(s)": Margaret Manolakis, Esq. of the firm of Stradley Ronon Stevens & Young, LLP, Malvern, Pennsylvania.

CASE INFORMATION

Statement of Claim filed: April 30, 2001.

Claimants signed the Uniform Submission Agreement: May 3, 2001.

Claimants' Response to Motion to Dismiss filed on or about: August 8, 2001.

Statement of Answer and Motion to Dismiss filed by Respondents on or about: July 25, 2001.

Respondent First signed the Uniform Submission Agreement: May 15, 2001.

Respondent Chen did not file a signed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty by churning and violation of the Missouri Securities Act for Respondents failure to be properly registered in the State of Missouri.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses:

1. Claimants have not sustained any compensable loss;
2. Claimants are estopped from making the claims for the reason that the acts of Respondents about which Claimants complain were done at the direction of, and with the full authority and permission of, Claimants;

3. Claimants are estopped from making the claims by the equitable doctrine of laches;
4. Claimants, by their acts and omissions, have ratified any actions of Respondents which are allegedly unauthorized;
5. Claimants have failed to take appropriate steps to mitigate their damages;
6. To the extent that Claimants have incurred any damages, such damages are attributable in whole or in part to Claimants' failure to object in a timely fashion to transactions they now claim were unsuitable or unauthorized; and,
7. To the extent that Claimants have incurred any damages, such damages are attributable to market conditions, and not to any acts or omissions of Respondents.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	Approximately \$80,500.00.
Punitive Damages	\$250,000.00.
Interest	Statutory rate of 8%.
Attorneys' Fees	Reasonable fees.
Other Monetary/Non-Monetary Relief if any:	Rescission

Respondents requested that Claimants' claims be denied in all respects, and that Respondents be compensated for the costs, including attorneys' fees, incurred in defending against this action.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Anthony W. Chen did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

The panel denied Respondents' Motion to Dismiss.

AWARD

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

1. The Statement of Claim filed by Claimants John and Gloria Ehrler is dismissed and denied in its entirety;
2. The parties shall bear their own costs of arbitration, including any attorneys fees, except for those specifically determined in this award; and,
3. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution 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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, First Security Investments, Inc. is a party and the following member fees are assessed:

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed: None

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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: March 21, 2002 1 session	
One (1) Pre-hearing session with Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: April 5, 2002 1 session	
Four (4) Hearing sessions @ \$1,125.00	= \$ 4,500.00
Hearing Dates: June 11, 2002 2 sessions	
June 12, 2002 2 sessions	
Total Forum Fees	= \$ 6,075.00

The Panel has assessed \$3,037.50 of the forum fees, jointly and severally, to Claimants John and Gloria Ehrler and has assessed \$3,037.50 of the forum fees, jointly and severally, to Respondents First Security Investments, Inc. and Anthony W. Chen.

SEE SUMMARY

Claimants John and Gloria Ehrler are jointly and severally liable for:

Initial Filing Fee = \$ 300.00

Arbitration No. 01-02208

Award Page 4

Forum Fees	= \$ 3,037.50
Total Fees	= \$ 3,337.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 1,912.50

Respondent First Security Investments, Inc. is solely liable for:

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

Respondents First Security Investments, Inc. and Anthony W. Chen are jointly and severally liable for:

Forum Fees	= \$ 3,037.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,037.50

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

ARBITRATION PANEL

H. Todd Iveson, Esq. - Public Arbitrator, Presiding Chairperson

David P. Oetting, Esq. - Public Arbitrator

Lynn D. (Doug) Newton - Non-Public Arbitrator

Concurring Arbitrators' SignaturesH. Todd Iveson, Esq.
Public Arbitrator, Presiding Chairperson9/13/02
Signature Date_____
David P. Oetting, Esq.
Public Arbitrator_____
Signature Date_____
Lynn D. (Doug) Newton
Non-Public Arbitrator_____
Signature Date9/16/02 
Date of Service (For NASD Dispute Resolution office use only)

Forum Fees	= \$ 3,037.50
Total Fees	= \$ 3,337.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 1,912.50

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David P. Oetting, Esq. - Public Arbitrator
Lynn D. (Doug) Newton - Non-Public Arbitrator

Concurring Arbitrators' Signatures

H. Todd Iveson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

David P. Oetting

David P. Oetting, Esq.
Public Arbitrator

9.10.02

Signature Date

Lynn D. (Doug) Newton
Non-Public Arbitrator

Signature Date

9/16/02

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David P. Oetting, Esq. - Public Arbitrator

Lynn D. (Doug) Newton - Non-Public Arbitrator

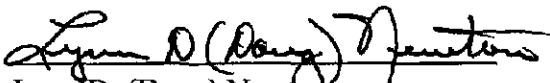
Concurring Arbitrators' Signatures

H. Todd Iveson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

David P. Oetting, Esq.
Public Arbitrator

Signature Date



Lynn D. (Doug) Newton
Non-Public Arbitrator

September 12, 2002

Signature Date

9/16/02

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