

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Nancy Hughes

Case Number: 01-02235

Name of the Respondents

Joseph A. Papa

First Union Securities, Inc.

Hearing Site: Philadelphia, PA

REPRESENTATION OF PARTIES

Claimant, Nancy Hughes ("Hughes"), hereinafter referred to as "Claimant": Jeffrey N. Kale, Esq., Law Offices of Jeffery N. Kale, Cherry Hill, NJ.

Respondents, Joseph A. Papa ("Papa") and First Union Securities, Inc. ("First Union"), hereinafter collectively referred to as "Respondents": Brian A. Carlis, Esq., Stark & Stark, Lawrenceville, NJ.

CASE INFORMATION

Statement of Claim filed on: April 23, 2001

Claimant signed the Uniform Submission Agreement: April 23, 2001

Statement of Answer filed by Respondents on: July 12, 2001

A representative of Respondent First Union signed the Uniform Submission Agreement: May 15, 2002

At the hearing, Claimant amended her complaint to reflect that a meeting with Respondent Papa occurred in January 2000, and not January 1999 as set forth in the complaint. Additionally, Claimant amended her complaint to seek \$80,000 in actual damages instead of \$132,000.

At the end of Claimant's case in chief, Respondents made a Motion to Dismiss the Claim.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; breach of fiduciary duty; misrepresentations and non-disclosures; and, suitability. The causes of action relate to the purchase and sale of common stock.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: the Statement of Claim fails to state a claim upon which relief may be granted; Claimant directed, approved and authorized each transaction; ratification; estoppel; waiver; and, failure to mitigate damages.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$80,000
Punitive Damages	\$17,400
Attorneys' Fees	\$ 5,000
Other Costs	\$ 1,425

Respondents requested that the Statement of Claim be dismissed in its entirety, and that Respondents be awarded costs and expenses, including reasonable attorneys' fees and costs, along with any other such relief as deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The Panel denied Respondents' Motion to Dismiss the Claim.

The parties have 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, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claim is denied in its entirety;
2. Claimant's claim for punitive damages is denied in its entirety;
3. The parties shall bear their respective costs and expenses, including attorneys' fees, except as Fees are specifically addressed below;
4. Respondent Papa's request that his CRD record be expunged is denied; and,
5. Any request for relief not specifically addressed herein is denied in its entirety.

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

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, Respondent First Union is a party.

Member surcharge	= \$ 1,500
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$ 2,500

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 Panel @ \$ 1,125	= \$ 1,125
Pre-hearing conference: December 12, 2002 1 session	

Two (2) Hearing sessions @ \$ 1,125	= \$ 2,250
Hearing Date: June 3, 2002 2 sessions	

Total Forum Fees	= \$ 3,375
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1. The Panel has assessed \$ 1,125 of the forum fees to Claimant.
2. The Panel has assessed \$ 2,250 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$ 300
Forum Fees	= \$ 1,125
Total Fees	= \$ 1,425
Less payments	= \$ 1,425
Balance Due NASD Dispute Resolution	= \$ 00
2. Respondent, First Union, is assessed and shall pay:

Member Fees	= \$ 3,100
Total Fees	= \$ 3,100
Less payments	= \$ 3,100
Balance Due NASD Dispute Resolution	= \$ 00


3. Respondents, First Union and Papa, are jointly and severally liable for and shall pay:	
<u>Forum Fees</u>	= \$ 2,250
<u>Total Fees</u>	= \$ 2,250
<u>Less payments</u>	= \$ 00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 2,250

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

ARBITRATION PANEL

Fred W. Miller, Esq.	-	Public Arbitrator, Presiding Chairperson
Abraham Harry Bunis	-	Public Arbitrator, Panelist
Ronnie Edward Nichols	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Fred W. Miller, Esq.
Public Arbitrator, Presiding Chairperson

July 8, 2002
Signature Date

Abraham Harry Bunis
Public Arbitrator, Panelist

Signature Date

Ronnie Edward Nichols
Non-Public Arbitrator, Panelist

Signature Date

July 10, 2002
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Fred W. Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Abraham Harry Bunis
Public Arbitrator, Panelist

Signature Date

Ronnie Edward Nichols
Non-Public Arbitrator, Panelist

Signature Date

July 10, 2002

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


Concurring Arbitrators' Signatures

Fred W. Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Abraham Harry Bunis
Public Arbitrator, Panelist

Signature Date



Ronnie Edward Nichols
Non-Public Arbitrator, Panelist

7-8-2002

Signature Date

July 10, 2002

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