

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 01-02289

Rawls B. Morgan

Name of the Respondents

Hearing Site: Washington, D.C.

Voss & Company, Inc and Richard Schulze

REPRESENTATION OF PARTIES

Claimant, Rawls B. Morgan ("Morgan") was represented by John P. Connolly, Esq. and Ford C. Ladd, Attorneys at Law, Alexandria, Virginia.

Respondents, Voss & Company, Inc. ("Voss") and Richard Schulze ("Schulze"), hereinafter collectively referred to as "Respondents" were represented by Ida W. Draim and Lawrence P. Sandor of Dickstein, Shapiro, Morin & Oshinsky LLP, Washington, D.C.

CASE INFORMATION

Statement of Claim filed on or about May 2, 2001.

Claimant signed the Uniform Submission Agreement on April 27, 2001.

Respondents' Answer and Motion to Dismiss was filed on or about July 17, 2001.

Respondent Voss signed the Uniform Submission Agreement on June 16, 2001.

Respondent Schulze signed the Uniform Submission Agreement on July 13, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: violation of Section 10(b), Section 20(a) and Rule 10b-5 of the Securities Exchange Act; failure to supervise; violation of section 13.1-502 of the Code of Virginia; violation of the NASD Rules of Fair Practice; breach of contract; constructive fraud; fraud and deceit; and, breach of fiduciary duty. The causes of action relate to the purchase and sale of various technology stocks.

Unless specifically admitted in their Answer and Motion to Dismiss, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimant waived any claim for unsuitable or excessive trading and is estopped from bringing this case; Claimant was fully informed of the risks of the trading strategy and activity in his accounts; Respondent did not breach any fiduciary or contractual duties; Claimant's accounts were adequately supervised; and, there was no violation of NASD Rules.

RELIEF REQUESTED

Claimant in his Statement of Claims requested:

Compensatory Damages	\$660,000.00
Investment Opportunity Loss Damages	\$380,000.00
Punitive Damages	\$350,000.00
Interest	unspecified
Attorneys' Fees and Costs	unspecified

Respondents in their Answer and Motion to Dismiss requested an award dismissing the claim in its entirety, and awarding their attorneys fees and expenses in this case.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents' Motion to Dismiss, which was filed with their answer, was held in abeyance by the Panel. The Panel denies the Motion to Dismiss and has decided this case on its merits.

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 claims are denied in their entirety;
2. The parties shall bear their respective costs, including attorney's fees, except as Fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein, including punitive damages, 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 = \$500

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 Voss is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00
Total Member Fees	= \$7,600.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: November 23, 2001 1 session	

Eight (8) Hearing sessions @ \$1,200.00	= \$9,600.00
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Hearing Dates:	August 21, 2002	2 sessions
	August 22, 2002	2 sessions
	August 23, 2002	2 sessions
	August 26, 2002	2 sessions

Total Forum Fees	= \$10,800.00
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1. The Arbitrator Panel has assessed \$2,700.00 of the forum fees to Claimant.
2. The Arbitrator Panel has assessed \$5,400.00 of the forum fees to Respondent Voss.
3. The Arbitrator Panel has assessed \$2,700.00 of the forum fees to Respondent Schulz.

FEE SUMMARY

1. Claimant is assessed the following fees:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 2,700.00
Total Fees	= \$ 3,200.00
Less payments	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 1,500.00

2. Respondent Voss is assessed the following fees:

Member Fees	= \$ 7,600.00
Forum Fees	= \$ 5,400.00
Total Fees	= \$ 13,000.00
Less payments	= \$ 7,600.00
Balance Due NASD Dispute Resolution	= \$ 5,400.00

3. Respondent Schulz is assessed the following fees:


Forum Fees	= \$ 2,700.00
Total Fees	= \$ 0.00
Less payments	= \$ 2,700.00
Balance Due NASD Dispute Resolution	= \$ 2,700.00

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

ARBITRATION PANEL

Perry E. Wallace, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Maurice R. Dunie, Esq.	-	Public Arbitrator, Panelist
Carole Rollinson	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Perry E. Wallace, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Oct. 7 2002

Signature Date

Maurice R. Dunic, Esq.
Public Arbitrator, Panelist

Signature Date

Carole Rollinson
Non-Public Arbitrator, Panelist

Signature Date

October 7, 2002

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


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Concurring Arbitrators' Signatures

Perry E. Wallace, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Maurice R. Dunie, Esq.
Public Arbitrator, Panelist

Oct. 7 2002
Signature Date

Carole Rollinson
Non-Public Arbitrator, Panelist

Signature Date

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Consenting Arbitrators' Signatures

Perry E. Wallace, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Merrick R. Dunne, Esq.
Public Arbitrator, Panelist

Signature Date


Candie Hollingson
Non-Public Arbitrator, Panelist

10/7/02
Signature Date

October 7, 2002
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