

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Name of the Claimant
Monica M. Zakwieia

Case Number: 01-02517

Name of the Respondents
Ferris, Baker Watts, Inc.
Brenda Carnes

Hearing Site: Baltimore, Maryland

REPRESENTATION OF PARTIES

Claimant, Monica M. Zakwieia ("Zakwieia") hereinafter referred to as "Claimant": Thomas C. Costello, Esq., West & Moore, LLC, Baltimore, MD.

Respondents, Ferris, Baker Watts, Inc. ("FBW") and Brenda Carnes ("Carnes"), hereinafter collectively referred to as "Respondents": Patricia A. Rutherford, Esq., Shapiro Sher & Guinot, Baltimore, MD.

CASE INFORMATION

Statement of Claim filed on: May 11, 2001

Claimant signed the Uniform Submission Agreement: April 2, 2001

Statement of Answer and Affirmative Defenses filed by Respondents on: July 11, 2001

A representative of Respondent FBW signed the Uniform Submission Agreement: July 9, 2001

Respondent Carnes signed the Uniform Submission Agreement: August 20, 2001

CASE SUMMARY

Claimant asserted the following causes of action, among others: fraud; constructive fraud; breach of fiduciary duty; churning; breach of contract; negligence; negligent supervision; and, violation of the Maryland Securities Act. The causes of action relate to the purchase and sale of various technology stocks.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimant was aware of and knowingly undertook the risks attendant to the kinds of investments made; Respondents acted at all times in accordance with Claimant's stated investment objectives; and, Respondents' handling of Claimant's account was in accordance with applicable regulatory requirements and brokerage industry standards.

RELIEF REQUESTED

Claimant requested:

| | |
|----------------------|-------------|
| Compensatory Damages | \$ 300,000 |
| Punitive Damages | \$ 200,000 |
| Interest | unspecified |
| Attorneys' Fees | unspecified |
| Other Costs | unspecified |

Respondents requested dismissal of the Statement of Claim, with prejudice, attorneys' fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent's Motion in Limine regarding the prohibition of testimony and the introduction of evidence relating to Norma Huth, Joseph Martin and Patrick Vaughan was granted by the Panel at hearing.

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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent FBW is liable to and shall pay to Claimant the sum of \$33,333.34 in compensatory damages. Simple interest on this amount at the rate of 10% shall be paid to Claimant by Respondent FBW, with interest beginning to accrue on April 10, 2002 and ceasing to accrue upon payment in full of this award.
2. Respondent Carnes is liable to and shall pay to Claimant the sum of \$16,666.66 in compensatory damages. Simple interest on this amount at the rate of 10% shall be paid to Claimant by Respondent Carnes, with interest beginning to accrue on April 10, 2002 and ceasing to accrue upon payment in full of this award.
3. The parties shall bear their respective costs, except as to Fees specifically addressed below.
4. 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, Inc. 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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, FBW 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(s) with Panel @ \$1,125 | = \$1,125 |
| Pre-hearing conference: November 16, 2001 1 session | |

| | |
|-----------------------------------------|-----------|
| Six (6) Hearing sessions @ \$1,125 | = \$6,750 |
| Hearing Dates: April 8, 2002 2 sessions | |
| April 9, 2002 2 sessions | |
| April 10, 2002 2 sessions | |

| | |
|------------------|------------|
| Total Forum Fees | = \$ 7,875 |
|------------------|------------|

1. The Panel has assessed \$3,937.50 of the forum fees to Claimant.
2. The Panel has assessed \$1,968.75 of the forum fees to Respondent FBW.
3. The Panel has assessed \$1,968.75 of the forum fees to Respondent Carnes.

Fee Summary

| | |
|-----------------------------------|---------------|
| 1. Claimant is solely liable for: | |
| Initial Filing Fee | = \$ 300.00 |
| Forum Fees | = \$ 3,937.50 |
| <hr/> | |
| Total Fees | = \$ 4,237.50 |

| | | |
|----|--------------------------------------------|---------------|
| | Less payments | = \$ 1,425.00 |
| | Balance Due NASD Dispute Resolution, Inc. | = \$ 2,812.50 |
| 2. | Respondent, FBW, is solely liable for: | |
| | Member Fees | = \$ 4,600.00 |
| | Forum Fees | = \$ 1,968.75 |
| | Total Fees | = \$ 6,568.75 |
| | Less payments | = \$ 2,100.00 |
| | Balance Due NASD Dispute Resolution, Inc. | = \$ 4,468.75 |
| 3. | Respondents, Carnes, is solely liable for: | |
| | Forum Fees | = \$ 1,968.75 |
| | Total Fees | = \$ 1,968.75 |
| | Less Payments | = \$ 00 |
| | Balance Due NASD Dispute Resolution, Inc. | = \$ 1,968.75 |

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

NASD Dispute Resolution, Inc.

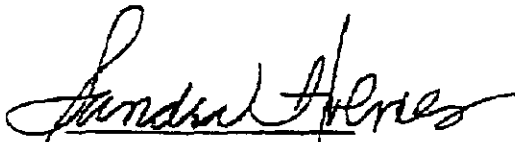
Arbitration No. 01-02517

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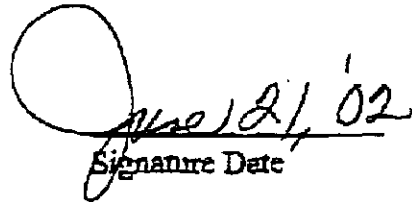
ARBITRATION PANEL

| | | |
|---------------------|---|------------------------------------------|
| Sandra Holmes, Esq. | - | Public Arbitrator, Presiding Chairperson |
| Charles A. Cade | - | Public Arbitrator, Panelist |
| Thomas Adamson, IV | - | Non-Public Arbitrator, Panelist |

Concurring Arbitrators' Signatures



Sandra Holmes, Esq.
Public Arbitrator, Presiding Chairperson


Signature Date

Charles A. Cade
Public Arbitrator, Panelist

Signature Date

Thomas Adamson, IV
Non-Public Arbitrator, Panelist

Signature Date

June 21, 2002

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

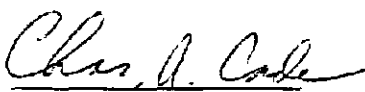
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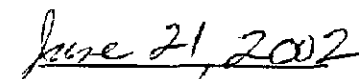
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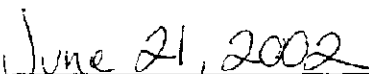
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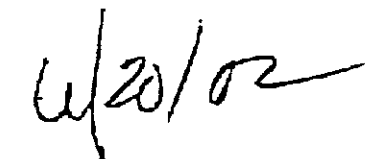
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