



**Amended Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Real Blais, Claimant v. InterFirst Capital Corporation, George E. Collado, Brett S. Briggs,  
Douglas A. Wright, and Bradford A. Phillips, Respondents

Case Number: 01-02608

Hearing Site: Los Angeles, California

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Nature of the Dispute: Customer v. Member and Associated Persons

**REPRESENTATION OF PARTIES**

For Claimant:

Chad Weaver, Esq.  
Law Offices of Nash & Edgerton  
Hermosa Beach, California

For Respondent InterFirst Capital Corporation:

Kenneth F. Nye, Esq.  
Law Offices of Kenneth Nye  
Ft. Collins, Colorado

For Respondent George E. Collado:

Eric J.F. Redwine, Esq.  
Redwine Law Offices  
Dallas, Texas

For Respondent Brett S. Briggs:

Jeffrey S. Kob, Esq.  
Miller Milov & Kob  
San Diego, California

For Respondent Douglas A. Wright and  
Bradford A. Phillips:

Steven S. Karic, Esq.  
Hamburg, Karic,  
Edwards & Martin LLP  
Los Angeles, California

**CASE INFORMATION**

Initial Statement of Claim filed: May 15, 2001

First Amended Statement of Claim filed: April 11, 2002

Second Amended Statement of Claim filed: December 26, 2002

Claimant's Uniform Submission Agreement signed: May 18, 2001

Joint Statement of Answer filed by Respondents InterFirst Capital Corporation and George E. Collado: August 27, 2001

Joint Statement of Answer to Claimant's First Amended Statement of Claim filed by Respondents InterFirst Capital Corporation, George E. Collado, Brett S. Briggs, Douglas A. Wright, and Bradford A. Phillips: April 22, 2004

Respondent George E. Collado's Statement of Answer to Claimant's Second Amended Statement of Claim: August 12, 2003

Respondent Brett S. Briggs' Statement of Answer to Claimant's Second Amended Statement of Claim: July 30, 2003

Respondent InterFirst Capital Corporation's Uniform Submission Agreement signed: August 23, 2001

Respondent George E. Collado's Uniform Submission Agreement signed: August 25, 2001

Respondent Brett S. Briggs' Uniform Submission Agreement signed: None Filed

Respondent Douglas A. Wright's Uniform Submission Agreement signed: None Filed

Respondent Bradford A. Phillips' Uniform Submission Agreement signed: None Filed

### **CASE SUMMARY**

In his Initial Statement of Claim, Claimant alleged churning, unauthorized trading, fraud, deceit, breach of contract, breach of fiduciary duty, and elder abuse against Respondents InterFirst Capital Corporation and George E. Collado.

In his First Amended Statement of Claim, Claimant alleged churning, unauthorized trading, fraud, deceit, breach of contract, breach of fiduciary duty, and elder abuse against Respondents InterFirst Capital Corporation, George E. Collado, Brett S. Briggs, Douglas A. Wright, and Bradford A. Phillips.

In his Second Amended Statement of Claim, Claimant alleged churning, unauthorized trading, fraud, deceit, breach of contract, breach of fiduciary duty, elder abuse, failure to supervise, and violations of sections 10(b) and 10b-5 of the Exchange Act against Respondents InterFirst Capital Corporation, George E. Collado, Brett S. Briggs, Douglas A. Wright, and Bradford A. Phillips.

Claimant's allegations in his Initial, First, and Second Statements of Claim involved transactions in Home Depot, Global Crossing, Ltd., Rite Aid, and IVAX Corp. stock.

In their Joint Statement of Answer, Respondents InterFirst Capital Corporation and George E. Collado denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

In their Joint Statement of Answer to Claimant's First Amended Statement of Claim, Respondents InterFirst Capital Corporation, George E. Collado, Brett S. Briggs, Douglas A. Wright, and Bradford A. Phillips denied the allegations of wrongdoing set forth in Claimant's First Amended Statement of Claim and asserted various affirmative defenses.

In his Answer to Claimant's Second Amended Statement of Claim, Respondent George E. Collado denied the allegations of wrongdoing set forth in Claimant's Second Amended Statement of Claim and asserted various affirmative defenses.

In his Answer to Claimant's Second Amended Statement of Claim, Respondent Brett S. Briggs denied the allegations of wrongdoing set forth in Claimant's Second Amended Statement of Claim and asserted various affirmative defenses.

#### **RELIEF REQUESTED**

In his Initial and First Amended Statements of Claim, Claimant requested \$2,000,000.00 in compensatory damages, unspecified punitive damages, interest at the maximum legal rate, pre-judgment interest, unspecified consequential damages, and costs, including attorney's fees.

In his Second Amended Statement of Claim, Claimant requested \$2,500,000.00 in compensatory damages, unspecified punitive damages, interest at the maximum legal rate, pre-judgment interest, unspecified consequential damages, and costs, including attorney's fees.

In their Joint Statement of Answer to Claimant's Initial Statement of Claim, Respondents InterFirst Capital Corporation and George E. Collado requested dismissal of the claim in its entirety and costs.

In their Joint Statement of Answer to Claimant's First Amended Statement of Claim, Respondents InterFirst Capital Corporation, George E. Collado, Brett S. Briggs, Douglas A. Wright, and Bradford A. Phillips requested dismissal of the claim in its entirety and costs.

In his Answer to Claimant's Second Amended Statement of Claim, Respondent George E. Collado requested dismissal of the claim in its entirety and costs, including attorney's fees.

In his Answer to Claimant's Second Amended Statement of Claim, Respondent Brett S. Briggs requested dismissal of the claim in its entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondents Brett S. Briggs, Douglas A. Wright, and Bradford A. Phillips did not file with the NASD Dispute Resolution properly executed submission agreements but are required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code"). and having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

On April 11, 2001, Claimant filed a Motion for Leave to File a First Amended Statement of Claim, pursuant to Rule 10328(b) of the Code. The Panel granted the Motion on April 12, 2001.

On October 9, 2002, Respondents InterFirst Capital Corporation, George E. Collado, Brett S. Briggs, Douglas A. Wright, and Bradford A. Phillips' counsel signed a Waiver Agreement on Respondents' behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On November 25, 2002, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On December 26, 2002, Claimant filed a Motion for Leave to File a Second Amended Statement of Claim, pursuant to Rule 10328(b) of the Code. The Panel granted the Motion on August 21, 2003.

On January 29, 2003, NASD Dispute Resolution received notice that Respondent InterFirst Capital Corporation filed a voluntary Chapter 7 bankruptcy case in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. Accordingly, this matter is stayed as to Respondent InterFirst Capital Corporation.

The Award served on August 4, 2004 contained a ministerial error in the section entitled Forum Fees and Assessments. That Award incorrectly assessed forum fees to Respondent Douglas A. Wright.

### **FINDINGS AND CONCLUSIONS**

The Panel finds that Claimant sustained Claimant's burden of proof with sufficient evidence that Respondents Brett S. Briggs and Bradford A. Phillips breached their duties to supervise and failed to supervise Respondent George E. Collado. However, because the claims against Respondents Brett S. Briggs and Bradford A. Phillips were brought after expiration of the applicable Statutes of Limitation, the Panel is unable to assess any damages against Respondents Brett S. Briggs and Bradford A. Phillips.

The Panel finds that Claimant did not sustain Claimant's burden of proof as to claims against Respondent Douglas A. Wright and that Respondent Douglas A. Wright breached no duty to Claimant.

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 Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent George E. Collado is liable to and shall pay Claimant the sum of \$54,000.00.
2. Parties shall bear their respective costs, including attorney's fees.
3. All other relief requested and not expressly granted is denied.

### **FEES**

Pursuant to the Code of Arbitration Procedure ("Code"), the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$ 500.00

#### **Adjournment Fees**

The following adjournment fees are assessed:

February 3 - 7, 2003 Hearing Dates, adjournment requested  
by Respondent George E. Collado = \$ 1,200.00

The Panel assessed \$1,200.00 of adjournment fees jointly and severally to Respondents George E. Collado, Brett S. Briggs, Douglas A. Wright, and Bradford A. Phillips.

#### **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 or the parties and the Panel. The following fees are assessed:

Four (4) Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$ 4,800.00  
Pre-hearing conferences: April 12, 2002 1 session  
September 12, 2002 1 session  
May 21, 2003 1 session  
July 23, 2003 1 session

Fifteen (15) Hearing sessions @ \$1,200.00/session = \$ 18,000.00

Hearings:	September 3, 2003	2 sessions
	September 4, 2003	2 sessions
	September 5, 2003	2 sessions
	May 4, 2004	2 sessions
	May 5, 2004	2 sessions
	May 6, 2004	2 sessions
	May 7, 2004	2 sessions
	June 14, 2004	1 session

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**Total Forum Fees** = \$ 22,800.00

The Panel assessed \$22,800.00 of the forum fees jointly and severally to Respondents Brett S. Briggs and Bradford A. Phillips.

**Fee Summary**

1. Claimant Real Blais is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
<u>Less payments</u>	= \$ (1,700.00)
<b>Refund Due Claimant Real Blais</b>	<b>= \$ (1,200.00)</b>

2. Respondents George E. Collado, Brett S. Briggs, Douglas A. Wright, and Bradford A. Phillips are charged jointly and severally with the following fees and costs:

Adjournment Fee	= \$ 1,200.00
<u>Less payments</u>	= \$ (0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 1,200.00</b>

3. Respondents Brett S. Briggs and Bradford A. Phillips are charged jointly and severally with the following fees and costs:

Forum Fees	= \$22,800.00
<u>Less payments</u>	= \$ (0.00)
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$22,800.00</b>

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

**ARBITRATION PANEL**

James M. Donovan, Esq.	-	Public Arbitrator, Presiding Chair
Jerry J. Crandall	-	Public Arbitrator
John B. Wells	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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James M. Donovan, Esq.  
Chair, Public Arbitrator

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Jerry J. Crandall  
Public Arbitrator

8/5/04  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
John B. Wells  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

8/6/04  
\_\_\_\_\_  
Date of Service

**ARBITRATION PANEL**

James M. Donovan, Esq.  
Jerry J. Crandall  
John B. Wells

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Public Arbitrator, Presiding Chair  
Public Arbitrator  
Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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James M. Donovan, Esq.  
Chair, Public Arbitrator

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Signature Date

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Jerry J. Crandall  
Public Arbitrator

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Signature Date

  
John B. Wells  
Non-Public Arbitrator

8/16/04  
Signature Date

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Date of Service