

Award
National Association of Securities Dealers, Inc.

In the Matter of the Arbitration Between

Names of the Claimant
Anthony V. Pugliese, III

Case Number: 01-02630

Names of the Respondents
Emerson Bennett & Associates, Inc.
Richard Hamilton
Peter Parente
Jerry Stokes
Brentley Martin

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For Anthony V. Pugliese, III, hereinafter referred to as "Claimant": Russell L. Forkey, P.A., Fort Lauderdale, Florida.

For Respondents Emerson Bennett & Associates, Inc. ("Emerson") and Brentley Martin ("Martin"): Eugene Michael Kennedy, P.A., Fort Lauderdale, Florida.

Respondents Richard Hamilton ("Hamilton"), Peter Parente ("Parente") and Jerry Stokes ("Stokes") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: May 10, 2001.

Claimant signed the Uniform Submission Agreement: May 11, 2001.

Statements of Answer filed by Respondent Hamilton on or about: July 18, 2001 and July 30, 2001.

Statement of Answer filed by Respondents Emerson, Martin and Stokes on or about: July 20, 2001.

Statement of Answer filed by Respondent Parente on or about: July 10, 2001.

Respondent Stokes signed the Uniform Submission Agreement: August 31, 2001.

Respondent Martin signed the Uniform Submission Agreement: July 31, 2001.

Respondent Emerson signed the Uniform Submission Agreement: July 31, 2001.

Respondent Hamilton signed the Uniform Submission Agreement: August 1, 2001.

Respondent Parente did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; negligence; negligent supervision; violation of Section 517.301, Florida Statutes; unsuitability; and, fraud. The causes of action relate to Claimant's investments in shares of stock in E Spire Communications, Inc., Compu-Dawn, Inc., America Online and Weststar Environmental, Inc. in his account.

Unless specifically admitted in their Answers, Respondents Emerson, Martin, Stokes, Parente and Hamilton denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested damages of approximately \$450,000.00, interest, costs and punitive damages of \$100,000.00.

Respondents Emerson, Martin, Stokes Hamilton and Parente requested a dismissal of all claims asserted against them.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Parente did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (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 parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondent Hamilton is found liable on the claim of misrepresentation and shall pay to Claimant the sum of \$25,000.00, pre-judgment interest specifically excluded.

Respondent Parente is found liable on the claim of misrepresentation and shall pay to Claimant the sum of \$25,000.00, pre-judgment interest specifically excluded.

Respondent Martin is found liable on the claim of failure to supervise and shall pay to Claimant the sum of \$35,000.00, pre-judgment interest specifically excluded.

Respondent Emerson is found liable on the claim of failure to supervise and shall pay to Claimant the sum of \$75,000.00, pre-judgment interest specifically excluded.

Claimant's claims against Respondent Stokes are denied.

Any and all requests for relief not specifically addressed herein, including Claimant's request for punitive damages, are 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	= \$375.00
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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. In this matter, the member firm is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

No requests for adjournment were filed in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

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 Pre-hearing session with a single arbitrator @ \$450.00	= \$450.00
Pre-hearing conference: May 16, 2002	1 session
One Pre-hearing session with the Panel @ \$1,200.00	= \$1,200.00
Pre-hearing conference: November 27, 2001	1 session
Seven Hearing sessions @ \$1,200.00	= \$8,400.00
Hearing Dates: June 10, 2002	2 sessions
June 11, 2002	2 sessions

June 12, 2002

3 sessions

Total Forum Fees	= \$10,050.00
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The Panel has assessed \$2,512.50 of the forum fees to Claimant.

The Panel has assessed \$2,512.50 of the forum fees to Respondent Parente.

The Panel has assessed \$2,512.50 of the forum fees to Respondent Martin.

The Panel has assessed \$2,512.50 of the forum fees to Respondent Hamilton.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$375.00
Forum Fees	= \$2,512.50

Total Fees	= \$2,887.50
Less payments	= \$1,575.00

Balance Due NASD	= \$1,312.50
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Respondent Emerson is solely liable for:

Member Fees	= \$6,100.00
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Total Fees	= \$6,100.00
Less payments	= \$0.00

Balance Due NASD	= \$6,100.00
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Respondent Parente is solely liable for:

Forum Fees	= \$2,512.50
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Total Fees	= \$2,512.50
Less payments	= \$0.00

Balance Due NASD	= \$2,512.50
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Respondent Martin is solely liable for:

Forum Fees = \$2,512.50

Total Fees = \$2,512.50

Less payments = \$0.00

Balance Due NASD = \$2,512.50

Respondent Hamilton is solely liable for:

Forum Fees = \$2,512.50

Total Fees = \$2,512.50

Less payments = \$0.00

Balance Due NASD = \$2,512.50

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

ARBITRATION PANEL

Adam Harrison Smith, Esq.	-	Public Arbitrator, Presiding Chair
Robert H. Loevin, Esq.	-	Public Arbitrator
Robert A. Fabricant, MBA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
Adam Harrison Smith, Esq.
Public Arbitrator, Presiding Chair

Signature Date

_____/S/_____
Robert H. Loevin, Esq.
Public Arbitrator

Signature Date

_____/S/_____
Robert A. Fabricant, MBA
Non-Public Arbitrator

Signature Date

July 1, 2002
Date of Service (For NASD office use only)

Forum Fees = \$2,512.50

Total Fees = \$2,512.50

Less payments = \$0.00

Balance Due NASD = \$2,512.50

Respondent Hamilton is solely liable for:

Forum Fees = \$2,512.50

Total Fees = \$2,512.50

Less payments = \$0.00

Balance Due NASD = \$2,512.50

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

ARBITRATION PANEL

Adam Harrison Smith, Esq.

- Public Arbitrator, Presiding Chair

Robert H. Loevin, Esq.

- Public Arbitrator

Robert A. Fabricant, MBA

- Non-Public Arbitrator

Concurring Arbitrators' Signatures



Adam Harrison Smith, Esq.
Public Arbitrator, Presiding Chair

8/29/02
Signature Date

Robert H. Loevin, Esq.
Public Arbitrator

Signature Date

Robert A. Fabricant, MBA
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

AP

Forum Fees = \$2,512.50

Total Fees = \$2,512.50

Less payments = \$0.00

Balance Due NASD = \$2,512.50

Respondent Hamilton is solely liable for:

Forum Fees = \$2,512.50

Total Fees = \$2,512.50

Less payments = \$0.00

Balance Due NASD = \$2,512.50

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ARBITRATION PANEL

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Robert H. Loevin, Esq.	-	Public Arbitrator
Robert A. Fabricant, MBA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Adam Harrison Smith, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Robert H. Loevin

Robert H. Loevin, Esq.
Public Arbitrator

6/24/02

Signature Date

Robert A. Fabricant, MBA
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Forum Fees = \$2,512.50

Total Fees = \$2,512.50

Less payments = \$0.00

Balance Due NASD = \$2,512.50

Respondent Hamilton is solely liable for:

Forum Fees = \$2,512.50

Total Fees = \$2,512.50

Less payments = \$0.00

Balance Due NASD = \$2,512.50

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

ARBITRATION PANEL

Adam Harrison Smith, Esq.	-	Public Arbitrator, Presiding Chair
Robert H. Loevin, Esq.	-	Public Arbitrator
Robert A. Fabricant, MBA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Adam Harrison Smith, Esq.
 Public Arbitrator, Presiding Chair

Signature Date

Robert H. Loevin, Esq.
 Public Arbitrator

Signature Date

Robert A. Fabricant, MBA
 Robert A. Fabricant, MBA
 Non-Public Arbitrator

6/24/02
 Signature Date

Date of Service (For NASD office use only)