

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Arthur S. Leider, Claimant v. Centex Securities, Inc., Bruce A. Biddick and Craig M. Biddick,
Respondents

Case Number: 01-02809

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimant:

Arthur S. Leider
In Pro Per
San Diego, California

For Respondent Centex Securities, Inc.:

Bruce A. Biddick
Centex Securities, Inc.
Solana Beach, California

For Respondent Bruce A. Biddick:

Bruce A. Biddick
In Pro Per
Rancho Santa Fe, California

For Respondent Craig M. Biddick:

Matthew R. Rutherford, Esq.
Rutherford & Rybacki
San Diego, California

CASE INFORMATION

Statement of Claim filed: May 22, 2001

Amended Statement of Claim filed: December 15, 2001

Claimant's Uniform Submission Agreement signed: May 22, 2001

Joint Statement of Answer and Motion to Dismiss Statement of Claim filed by Respondents
Centex Securities, Inc. and Bruce A. Biddick: August 31, 2001

Joint Statement of Answer to Amended Statement of Claim filed by Respondents Centex
Securities, Inc. and Bruce A. Biddick: January 28, 2002

Respondent Centex Securities, Inc.'s Uniform Submission Agreement signed:
December 14, 2001

Respondent Bruce A. Biddick's Uniform Submission Agreement signed: December 14, 2001

Statement of Answer to Statement of Claim filed by Respondent Craig M. Biddick:
August 31, 2001

Statement of Answer to Amended Statement of Claim filed by Respondent Craig M. Biddick:
January 25, 2002

Respondent Craig M. Biddick's Uniform Submission Agreement signed: August 31, 2001

CASE SUMMARY

In his Original and Amended Statements of Claim, Claimant alleged libel and defamation. The causes of action relate to statements contained in the Form U-5 concerning the termination of Claimant's employment with Centex Securities, Inc.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Original and Amended Statements of Claim.

RELIEF REQUESTED

In his Original and Amended Statements of Claim, Claimant requested compensatory damages in the amount of \$100,000.00, punitive damages, "retraction of Form U-5 withdrawing all libelous and slanderous allegations", interest, and reimbursement for arbitration costs, including legal fees.

Respondents requested dismissal of the Claimant's Original and Amended Statements of Claim in their entirety and sanctions against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

On December 10, 2001, the Arbitration Panel granted with leave to amend Respondents Centex Securities, Inc., Bruce A. Biddick, and Craig M. Biddick's Motion to Dismiss Statement of Claim.

On March 14, 2002, the Arbitration Panel denied Respondent Craig M. Biddick's Motion for Leave to File a Counterclaim.

On March 14, 2002, the Arbitration Panel denied Respondents Centex Securities, Inc., Bruce A. Biddick, and Craig M. Biddick's Motion to Dismiss First Amended Statement of Claim.

On March 14, 2002, the Arbitration Panel granted, in part, Respondent Craig M. Biddick's Motion to Compel Production of Documents and Information.

On March 14, 2002, The Arbitration Panel granted Claimant's Motion to Compel Production of Documents and Information against Respondents Centex Securities, Inc. and Bruce A. Biddick.

On March 14, 2002, the Arbitration Panel granted, in part, Claimant's Second Motion to Compel Production of Documents and Information against Respondents Centex Securities, Inc. and Bruce A. Biddick.

On April 5, 2002, the Arbitration Panel denied Respondent Craig A. Biddick's Motion for Reconsideration of Order Denying Leave to File a Counterclaim and Motion to Compel Production of Documents against 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:

A) Arthur S. Leider's claims against Craig M. Biddick

All claims against Respondent Craig M. Biddick are denied in their entirety.

B) Arthur S. Leider's claims against Bruce A. Biddick and Centex Securities, Inc.

The panel finds in favor of Claimant Arthur S. Leider. The Form U-5 did contain defamatory language. Claimant Arthur S. Leider is awarded One Dollar (\$1.00) for economic damages against Respondents Centex Securities, Inc. and Bruce A. Biddick. Claimant Arthur S. Leider is awarded Zero Dollars (\$0.00) for non-economic damages against Centex Securities, Inc. and Bruce A. Biddick. No punitive damages awarded. No attorney's fees awarded. No prejudgment interest awarded. Award is joint and several against Respondents Centex Securities, Inc. and Bruce A. Biddick.

C) The Panel orders the amendment of the Form U-5 as described below based on the defamatory nature of the information, and the expungement of all reference to the above-captioned arbitration from Claimant Arthur S. Leider's registration records maintained by the NASD Central Registration Depository ("CRD"):

- 1) On page one, "Reason for Termination", delete entire explanatory paragraph. In place of the deleted material, add the following language: "Subject failed to notify employing firm he was receiving compensation as representative of a claimant in an arbitration against the employing firm.";
- 2) On page three, on signature line, change from "8/23/2000" to "8/28/2000";
- 3) On page entitled "U-5 Internal Review DRP" in section 3, delete the first sentence only. Remaining language unchanged.
- 4) On page entitled "U-5 - Internal Review DRP" in section 4, change the box checked from "Explanation" to "Exact." Delete the words "Still ongoing" and replace with "8/28/2000."

D) The parties shall bear their respective costs, including attorney's fees.

E) All other relief requested and not expressly granted is denied.

FEEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 225.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Centex Securities, Inc. is a participating Terminated Member and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 1,500.00
Total Member Fees	= \$ 3,100.00

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 Panel. The following fees are assessed:

3 Pre-hearing conference sessions with the Panel @ \$ 750.00/session	= \$ 2,250.00
Pre-hearing conferences: December 10, 2001 1 session	
March 14, 2002 1 session	
April 5, 2002 1 session	
2 Hearing sessions @ \$ 750.00/session	= \$ 1,500.00
Hearing: April 18, 2002 2 sessions	
Total Forum Fees	= \$ 3,750.00

- 1) The Panel assessed \$ 1,875.00 of the forum fees jointly and severally to Respondents Centex Securities, Inc. and Bruce A. Biddick on Claimant's claims against them.
- 2) The Panel assessed \$1,875.00 of the forum fees to Claimant on Claimant's claims against Craig M. Biddick.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Respondent Craig M. Biddick requested tape duplication:

4 tapes @ \$15/tape	= \$ 60.00
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Fee Summary

1. Claimant Arthur S. Leider is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
Forum Fees on claims against Respondent Craig M. Biddick	= \$ 1,875.00
<u>Total Fees</u>	<u>= \$ 2,100.00</u>
Less payments	= \$ (975.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,125.00

2. Respondent Centex Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,100.00

3. Respondents Centex Securities, Inc. and Bruce A. Biddick are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,875.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,875.00

4. Respondent Craig M. Biddick is charged with the following fees and costs:

Administrative Costs	= \$ 60.00
Less payments	= \$ (60.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

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

ARBITRATION PANEL

Steven J. Roberts, Esq.	-	Public Arbitrator, Presiding Chair
William Thomas Gahan, Esq.	-	Public Arbitrator
Gunnar Thowsen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steven J. Roberts, Esq.
Chair, Public Arbitrator

Signature Date

William Thomas Gahan, Esq.
Public Arbitrator

Signature Date

Gunnar Thowsen
Gunnar Thowsen
Non-Public Arbitrator

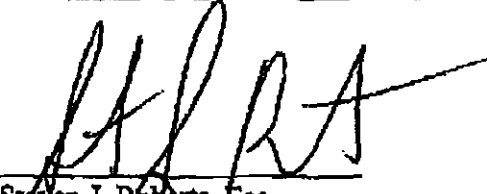
5/30/02
Signature Date

May 31, 2002
Date of Service

ARBITRATION PANEL

Steven J. Roberts, Esq.	-	Public Arbitrator, Presiding Chair
William Thomas Gahan, Esq.	-	Public Arbitrator
Gunnar Thowsen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Steven J. Roberts, Esq.
Chair, Public Arbitrator

May 29, 2002
Signature Date

William Thomas Gahan, Esq.
Public Arbitrator

Signature Date

Gunnar Thowsen
Non-Public Arbitrator

Signature Date

May 31, 2002
Date of Service

ASD Dispute Resolution, Inc.
0 South Grand Avenue, Suite 900
s Angeles, California 90071
3-613-2680 213-613-2677 FAX

Proof of Service

State of California, County of Los Angeles

I am employed in the county of Los Angeles. I declare that I am over the age of eighteen (18) and not a party to this action. My business address is:

NASD Dispute Resolution, Inc.
300 South Grand Avenue, Suite 900
Los Angeles, California 90071.

On May 31, 2002, I served the following documents described as:

Award, Cover Letters, and Invoice Statement for Arbitration Case No. 01-02809 on the interested parties in this action by placing the true copies thereof enclosed in the sealed envelopes as follows:

Arthur S. Leider, 7801 Mission Center Court #200, San Diego, CA 92108, Fax #: 508-300-1080

Bruce A. Biddick, 15754 Via de Santa Fe, Rancho Santa Fe, CA 92067, No Fax #

Matthew R. Rutherford, Esq. Rutherford & Rybacki, 110 West "C" Street Suite 2000, San Diego, CA 92101-3908, Fax #: 619-687-5257

Bruce A. Biddick, Centex Securities Inc., PMB 104, 665 San Rodolfo Drive #124, Solano Beach, CA 92075, No Fax #

I deposited such envelop in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

- ☐ By Personal Service, I caused such envelope to be delivered by hand to the individuals at the addressee(s) listed.
- X By overnight courier, I caused the above-referenced documents to be delivered to an overnight courier service (Federal Express), for delivery to the above addressees.

By facsimile machine, I caused the above-referenced documents to be transmitted to the above-named persons at the numbers above.

- X (STATE) I declare under penalty of perjure under the laws of the State of California that the above is true and correct.
- ☐ (FEDERAL) I declare that I am employed in the office of a member of the bar on this court at whose direction the service was made.

Executed this May 31, 2002, at Los Angeles, California.


Elisa Gaeta

NASD Dispute Resolution, Inc.

Arbitration No. 01-02809

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ARBITRATION PANEL

Steven J. Roberts, Esq.	-	Public Arbitrator, Presiding Chair
William Thomas Gahan, Esq.	-	Public Arbitrator
Gunnar Thowsen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steven J. Roberts, Esq.
Chair, Public Arbitrator

Signature Date

William T. Gahan

William Thomas Gahan, Esq.
Public Arbitrator

05/31/02

Signature Date

Gunnar Thowsen
Non-Public Arbitrator

Signature Date

5/31/02

Date of Service