

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimants

Charles and Patricia Ropp

Case Number: 01-02840

Name of the Respondents

Guardian Investor Services Corporation

Princeton Equity Securities, Inc.

Joan A. Brown

Raymond M. Brown

Park Avenue Securities, LLC

Hearing Site: Philadelphia, PA

REPRESENTATION OF PARTIES

Claimants, Charles and Patricia Ropp ("Ropp"), hereinafter collectively referred to as "Claimants": Steven M. Dranoff, Esq., Dranoff Perlstein Associates, Philadelphia, PA, and Nicholas J. Guiliano, Esq., Attorney at Law, Philadelphia, PA.

Respondents, Guardian Investors Services Corporation ("GISC") and Park Avenue Securities, LLC ("PAS"), hereinafter referred to as "Respondents GISC and PAS": Elizabeth Hoop Fay, Esq., Morgan, Lewis & Bockius, LLP, Philadelphia, PA.

Respondent, Princeton Equity Securites, Inc. ("PES"), hereinafter referred to as "Respondent PES": David I. Farber, New York, NY.

Respondent, Joan A. Brown ("J. Brown"), hereinafter referred to as "Respondent J. Brown": Greta K. Kolcon, Esq., Woods Oviatt Gilman LLP, Rochester, NY.

Respondent, Raymond M. Brown ("R. Brown"), hereinafter referred to as "Respondent R. Brown": Greta K. Kolcon, Esq., Woods Oviatt Gilman LLP, Rochester, NY.

CASE INFORMATION

Statement of Claim filed on: May 23, 2001.

Claimants, Charles and Patricia Ropp, signed the Uniform Submission Agreement: May 21, 2001.

Statement of Answer filed by Respondent GISC and PAS on: July 30, 2001.

A representative of Respondent GISC signed the Uniform Submission Agreement on or about: August 3, 2001.

A representative of Respondent PAS signed the Uniform Submission Agreement on or about: August 3, 2001.

Respondents J. Brown and R. Brown filed a letter as a Statement of Answer on: July 26, 2001.

Statement of Answer filed by Respondents J. Brown and R. Brown on: December 21, 2001.
Respondents J. Brown and R. Brown did not file Uniform Submission Agreements.
Respondent PES did not file a Statement of Answer or a Uniform Submission Agreement.

Respondents GISC and PAS filed a Motion to Dismiss and a Cross Claim against Respondent PES on: July 30, 2001.
Claimants filed a Memorandum in Opposition to the Request to Dismiss of Respondents GISC and PAS on: June 10, 2002.
Respondents GISC and PAS filed a Reply to Claimant's Memo on: June 20, 2002.

Respondent R. Brown filed a Memorandum of Law in Support of Respondent R. Brown's Motion to Dismiss on: December 21, 2001.
Claimants filed a Memorandum in Opposition to Respondent R. Brown's Request to Dismiss on: January 22, 2002.

CASE SUMMARY

Claimants asserted the following causes of action, among others: misrepresentations and/or omissions of material fact; failure to disclose degree of risk; failure to supervise; fraud; violation of Section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5; suitability; violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Law; and, breach of fiduciary duty. The causes of action relate to the purchase of Grand Court Lifestyles, Inc. notes.

Unless specifically admitted in its Answer, Respondents GISC and PAS denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Claimants were not customers of Respondents GISC and PAS; Respondent R. Brown was not a registered representative of either Respondent GISC or PAS; any recommendations by Respondent J. Brown were made in her capacity as a representative of Respondent PES; there was no fiduciary duty owed to Claimants; Claimants' claims are barred by the Statue of Limitations; and, Respondent PES is solely responsible for supervising any business transacted by Respondent J. Brown

Unless specifically admitted in its Answer, Respondents R. Brown and J. Brown denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to mitigate damages; any damages sustained are speculative and contingent in nature; assumption of risk; Respondent J. Brown acted in good faith; lack of jurisdiction over Respondent R. Brown; and, lack of jurisdiction over some of Claimants' claims.

Respondent PES did not file a Statement of Answer.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 135,000
Punitive Damages	amount unspecified
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified
Other Monetary/Non-Monetary Relief if any:	Specific Performance

In their cross-claim Respondents GISC and PAS sought indemnification from Respondent PES.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent PES has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Upon review of the file and the representations made by/on behalf of the Claimants, the Panel determined that Respondent J. Brown has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the Code.

Immediately prior to the evidentiary hearing, Respondent J. Brown requested an indefinite continuance based on a March 25, 2002 doctor's note and, additionally, four days before the hearings which had been scheduled for months at mutually convenient times, reported that one member of Respondent's counsel's law firm was called to a conflicting court date. Based on the arguments, the Panel found Respondent J. Brown did not show good cause for a continuance. At the evidentiary hearing, counsel and Respondent J. Brown did not appear.

Respondent J. Brown did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

Respondent PES did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

The Panel granted Respondent R. Brown's Motion to Dismiss the Statement of Claim based on a lack of jurisdiction.

The Panel denied Respondent J. Brown's Motion to Dismiss the Statement of Claim.

The Panel deferred ruling on Respondents GISC and PAS' Motion to Dismiss the Statement of Claim until the hearing.

Prior to the evidentiary hearing, Claimants withdrew their claims against Respondents GISC and PAS, and thus the hearing continued as against Respondents J. Brown and PES only.

Respondents GISC and PAS withdrew their Motion to Dismiss the Statement of Claim.

Respondents GISC and PAS withdrew their cross claim for indemnification against Respondent PES without prejudice.

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

1. Respondents J. Brown and PES are jointly and severally liable to and shall pay to Claimants the sum of \$120,933.00 in compensatory damages. Respondents J. Brown and PES shall pay 6% simple interest on this amount from July 23, 2002 through the date the Award is paid in full;
2. Respondents J. Brown and PES are jointly and severally liable to and shall pay to Claimants the sum of \$48,373.20 in attorneys' fees. The Award of attorneys fees is based on statutory authority;
3. Claimants' claim for punitive damages is denied in its entirety;
4. The parties shall bear their respective costs and expenses, except as Fees are specifically addressed below and not delineated in this Award; and,
5. Any request for relief not specifically addressed herein 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	= \$ 300.00
--------------------------	-------------

Cross claim filing fee = \$ 1,000.00

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, Guardian Investors Services Corporation, Park Avenue Securities and Princeton Equity Securities are parties.

Guardian Investors Services Corporation

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Park Avenue Securities

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Princeton Equity Securities

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	waived *
Hearing process fee	waived *

* Princeton Equity Securities was terminated as a NASD member on July 24, 2001.

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:

Two (2) Pre-hearing sessions with Panel @ \$ 1,125	= \$ 2,250.00
Pre-hearing conferences:	
December 4, 2001	1 session
June 25, 2002	1 session
Two (2) Hearing sessions @ \$ 1,125	= \$ 2,250.00
Hearing Date:	
July 23, 2002	2 sessions

Total Forum Fees = \$ 4,500.00

1. The Panel has assessed \$ 2,250.00 of the forum fees to Claimants.
2. The Panel has assessed \$ 2,250.00 of the forum fees jointly and severally to Respondents, J. Brown and PES.

Fee Summary

1. Claimants are assessed:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 2,250.00

Total Fees	= \$ 2,550.00
Less payments	= \$ 1,425.00

Balance Due NASD Dispute Resolution	= \$ 1,125.00
-------------------------------------	---------------

2. Respondent, GISC, is assessed:

Member Fees	= \$ 4,600.00
-------------	---------------

Total Fees	= \$ 4,600.00
Less payments	= \$ 6,600.00

Refund Due Respondent	= \$ 2,000.00
-----------------------	---------------

3. Respondent, PAS, is assessed:

Member Fees	= \$ 4,600.00
-------------	---------------

Total Fees	= \$ 4,600.00
Less payments	= \$ 6,600.00

Refund Due Respondent	= \$ 2,000.00
-----------------------	---------------

4. Respondent, PES, is assessed:

Member Fees	= \$ 1,500.00
-------------	---------------

Total Fees	= \$ 1,500.00
Less payments	= \$ 0.00

Balance Due NASD Dispute Resolution	= \$ 1,500.00
-------------------------------------	---------------

5. Respondents, GISC and PAS, are jointly and severally assessed:
Cross Claim Filing Fee = \$ 1,000.00

Total Fees	= \$ 1,000.00
Less payments	= \$ 1,500.00

Refund Due Respondents	= \$ 500.00
------------------------	-------------

6. Respondents, J. Brown and PES, are jointly and severally assessed:
Forum Fees = \$ 2,250.00

Total Fees	= \$ 2,250.00
Less payments	= \$ 0.00

Balance Due NASD Dispute Resolution	= \$ 2,250.00
-------------------------------------	---------------

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

ARBITRATION PANEL

Howard Mason Cyr, Jr.	-	Public Arbitrator, Presiding Chairperson
Robert A. Alston, Esq.	-	Public Arbitrator, Panelist
Richard Frank Colello	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Howard Mason Cyr Jr.

Howard Mason Cyr, Jr.
Public Arbitrator, Presiding Chairperson

Aug 30, 2002

Signature Date

Robert A. Alston, Esq.
Public Arbitrator, Panelist

Signature Date

Richard Frank Colello
Non-Public Arbitrator, Panelist

Signature Date


08/30/2002

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

Concurring Arbitrators' Signatures

Howard Mason Cyr, Jr.
Public Arbitrator, Presiding Chairperson

Signature Date



Robert A. Alston, Esq.
Public Arbitrator, Panelist



Signature Date

Richard Frank Colello
Non-Public Arbitrator, Panelist

Signature Date


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

Concurring Arbitrators' Signatures

Howard Mason Cyr, Jr.
Public Arbitrator, Presiding Chairperson

Signature Date

Robert A. Alston, Esq.
Public Arbitrator, Panelist

Signature Date

Richard Frank Colello
Richard Frank Colello
Non-Public Arbitrator, Panelist

8/30/02
Signature Date

08/30/2002
Date of Service (For NASD Dispute Resolution office use only)