

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

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In the Matter of the Arbitration Between:

Joan M. Panizza IRA and Panizza Family Trust A & B, Claimants v. FFP Securities, Inc.,  
Elizabeth G. Norman, Douglas E. Norman and Retirement Specialists, Inc., Respondents

Case Number: 01-03144

Hearing Site: Los Angeles, California

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**REPRESENTATION OF PARTIES**

For Claimants:

Paul W. Thomas, Esq.  
Law Offices of Paul W. Thomas & Associates  
Carlsbad, California

For Respondent FFP Securities, Inc.:

Brendan B. Penney, Esq.  
Bryan Cave LLP  
Santa Monica, California

For Respondents Elizabeth G. Norman,  
Douglas E. Norman and Retirement  
Specialists, Inc.:

Amir Tadjedin, Esq.  
Liner Yankelevitz Sunshine & Regenstrief  
San Francisco, California

**CASE INFORMATION**

Statement of Claim filed: June 8, 2001

Claimants' Joint Uniform Submission Agreement signed: August 21, 2001

Statement of Answer filed by Respondent FFP Securities, Inc.: November 28, 2001

Joint Statement of Answer filed by Respondents Elizabeth G. Norman, Douglas E. Norman and  
Retirement Specialists, Inc.: November 6, 2001

Respondent FFP Securities, Inc.'s Uniform Submission Agreement signed: November 27, 2001

Respondent Elizabeth G. Norman's Uniform Submission Agreement signed: November 5, 2001

Respondent Douglas E. Norman's Uniform Submission Agreement signed: November 5, 2001

Respondent Retirement Specialists, Inc.'s Uniform Submission Agreement signed: not submitted

### **CASE SUMMARY**

Claimants alleged fraud, misrepresentation, suitability, unauthorized trading, failure to supervise, breach of fiduciary duty, and violations of NASD rules, involving mutual funds.

In their respective answers, each Respondent denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

### **RELIEF REQUESTED**

Claimants requested \$190,463.62 in compensatory damages, \$571,390.86 in punitive damages, prejudgment interest, and costs, including attorney's fees.

In their respective answers, each Respondent requested dismissal of the Claimants' Statement of Claim in its entirety, and reimbursement of arbitration costs.

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

Respondent Retirement Specialists, Inc. filed an Answer and appeared through its representatives at the hearing, but did not submit a properly executed submission agreement with the NASD Dispute Resolution.

On December 4, 2002, Claimants moved to amend the Statement of Claim. After due deliberation, the Panel denied Claimants' motion.

On December 5, 2002, the parties stipulated that Joan M. Panizza had standing to bring an action on behalf of the Panizza Family Trust B and Respondent waived any jurisdictional objections thereto.

At the hearing, Respondents Elizabeth G. Norman and Douglas E. Norman moved for an order expunging all reference to the above captioned arbitration from their respective registration records maintained by the NASD Central Registration Depository ("CRD"). After due deliberation, the Panel denied Elizabeth G. Norman's request and granted Douglas E. Norman's request for expungement.

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. Claimants' claims are denied in their entirety.
2. The parties shall bear their respective costs, including attorney's fees.
3. All other relief not expressly granted is denied.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Douglas E. Norman's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Douglas E. Norman's must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

### **FEES**

Pursuant to the 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	= \$ 375.00
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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 FFP Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 3,500.00</u>
<b>Total Member Fees</b>	<b>= \$ 6,100.00</b>

**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/Panel. The following fees are assessed:

1 Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference:      October 2, 2002      1 session	
1 Pre-hearing conference session with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conference:      April 11, 2002      1 session	
6 Hearing sessions @ \$1,200.00/session	= \$ 7,200.00
Hearings:      December 4, 2002      2 sessions	
December 5, 2002      2 sessions	
December 6, 2002      2 sessions	
<b>Total Forum Fees</b>	<b>= \$ 8,850.00</b>

1. The Panel assessed \$ 4,425.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$ 4,425.00 of the forum fees jointly and severally to Respondents.

**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.

Claimants requested 4 photocopies at \$0.50 each:      =\$ 2.00

**Fee Summary**

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 4,425.00
<u>Administrative Costs</u>	<u>= \$ 2.00</u>
Total Fees	= \$ 4,802.00
<u>Less payments</u>	<u>=(1,575.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 3,227.00</b>

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

Member Fees	= \$ 6,100.00
<u>Less payments</u>	<u>= \$(6,100.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

3. Respondents are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 4,425.00
<u>Less payments</u>	<u>= \$( 0.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 4,425.00</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**

John F. Lagle, III, Esq.	-	Public Arbitrator, Presiding Chair
Edwin C. Shiver, Esq.	-	Public Arbitrator
Roger T. Verhage	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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John F. Lagle, III, Esq.  
Chair, Public Arbitrator

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Signature Date

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Edwin C. Shiver, Esq.  
Public Arbitrator

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Signature Date

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Roger T. Verhage  
Non-Public Arbitrator

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Signature Date

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Date of Service

**ARBITRATION PANEL**

John F. Lagle, III, Esq.

Edwin C. Shiver, Esq.

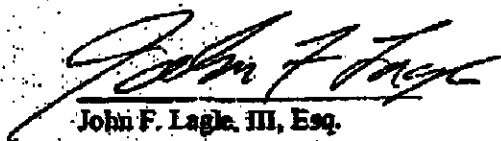
Roger T. Verhage

Public Arbitrator, Presiding Chair

Public Arbitrator

Non-Public Arbitrator

**Concurring Arbitrators' Signatures**



John F. Lagle, III, Esq.  
Chair, Public Arbitrator

December 10, 2002  
Signature Date

Edwin C. Shiver, Esq.  
Public Arbitrator

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Signature Date

Roger T. Verhage  
Non-Public Arbitrator

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

12/23/02  
Date of Service

**ARBITRATION PANEL**

John F. Lagle, III, Esq.	-	Public Arbitrator, Presiding Chair
Edwin C. Shiver, Esq.	-	Public Arbitrator
Roger T. Verhage	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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John F. Lagle, III, Esq.  
Chair, Public Arbitrator

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Signature Date

  
Edwin C. Shiver, Esq.  
Public Arbitrator

12/20/2002  
Signature Date

\_\_\_\_\_  
Roger T. Verhage  
Non-Public Arbitrator

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

12/23/02  
Date of Service