

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Deolinda Fernandez (Claimant) v. Edward Sadowski, Multi-Financial Securities Corp.,
and Royal Alliance Associates, Inc. (Respondents)

Case Number: 01-04295

Hearing Site: New York, New York

Nature of the Dispute: Customer v. Members and Associated Person

REPRESENTATION OF PARTIES

Claimant Deolinda Fernandez ("Fernandez") hereinafter referred to as "Claimant":
Richard D. DeVita, Esq., DeVita & Associates, Hoboken, NJ.

Respondents Edward Sadowski ("Sadowski") and Multi-Financial Securities Corp.
("MFSC"): Christopher Mulvihill, Esq. and Matthew Tracy, Esq, Winget, Spadafora &
Schwartzberg, LLP, New York, NY.

For the period prior to his employment with MFSC, Sadowski was previously
represented by Gregory P. Waks, Esq., and B. David Jarashow, Esq, Hamburger Law
Firm, LLC, Princeton, NJ.

Respondent Royal Alliance Associates, Inc. ("RAA"): Jonathan C. Thau, Esq., Luboja &
Thau, LLP, New York, NY.

Sadowski, MFSC, and RAA are hereinafter collectively referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: August 10, 2001

Claimant signed the Uniform Submission Agreement: August 9, 2001

Joint Motion for a More Definite Statement, Motion to Dismiss for Failure to Properly
State a Claim, and Statement of Answer filed by Respondents Sadowski and MFSC on or
about: January 14, 2002

Answer, Motion for a More Definite Statement and Motion to Dismiss filed by
Respondent Sadowski on or about: February 5, 2002

Respondent Sadowski did not sign the Uniform Submission Agreement

Respondent MFSC did not sign the Uniform Submission Agreement

Respondent RAA did not file a Statement of Answer or sign a Uniform Submission
Agreement

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability; misrepresentation; breach of fiduciary duty; omission of material facts; violation of industry rules and state securities statutes. Claimant's claim involved annuities.

Unless specifically admitted in their Answers, Respondents MFSC and Sadowski denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested actual, compensatory damages to place her in a position as if her account was properly serviced, in accordance with the representations of Sadowski; commissions/concession charged; managerial fees; costs, fees, and interest; punitive damages in an amount to be determined by the Panel, in accordance with N.J.S.A. 2A:15-5.12, 5.13, and 5.14; and any other remedy which the Panel deems appropriate.

Respondents MFSC and Sadowski requested that the Statement of Claim be dismissed; granting their costs, including attorneys' fees; imposing forum fees on the Claimant; and such other and further relief as the Panel deems just and appropriate; or in the alternative, that the panel order Claimant to submit a more definite Statement of Claim in order that MFSC and Sadowski can submit a comprehensive Answer and adequately prepare their defense.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents MFSC and Sadowski did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, and/or appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

Respondents made a motion to dismiss and a motion for a more definite statement. After due consideration, the Panel denied the motions.

On or about May 28, 2002, NASD Dispute Resolution was notified that Claimant settled her claims against Respondent RAA.

On or about November 18, 2002, NASD Dispute Resolution was notified that Claimant settled her claims against Respondent MFSC.

With the agreement of the parties, Arbitrator Leonard Harvey participated in the final hearing session on January 28, 2005 by telephone.

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. Respondent Sadowski is liable for and shall pay to Claimant compensatory damages in the amount of \$398,949.00 (which sum includes the \$23,250.00 awarded by the NASD in Report of Action dated 11/19/2004), plus post-award interest at the rate of 5.5% per annum from January 28, 2005 through the date of payment of the award.
2. Respondent Sadowski is liable for and shall pay to Claimant the sum of \$250.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution.
3. Any and all relief not specifically addressed herein, including punitive damages, is denied.

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	= \$250.00
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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 firms that employed the associated person at the time of the events giving rise to the dispute. Respondent Multi-Financial Services Corp. is a party.

Member surcharge	= \$1,200.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,000.00

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. Respondent Royal Alliance Associates, Inc. is a party.

Member surcharge	= \$1,200.00
Pre-hearing process fee	= \$ 600.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

December 10, 2004, adjournment by Respondent Sadowski	= Waived
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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00 = \$ 900.00
Pre-hearing conferences: September 17, 2002 1 session
October 7, 2002 1 session

Five (5) Pre-hearing sessions with Panel @ \$1,000.00 = \$ 5,000.00
Pre-hearing conferences: May 13, 2002 1 session
September 25, 2003 1 session
November 3, 2003 1 session
May 12, 2004 1 session
December 10, 2004 1 session

Eight (8) Hearing sessions @ \$1,000.00 = \$ 8,000.00
Hearing Dates: October 8, 2002 1 session
March 29, 2004 2 sessions
March 30, 2004 2 sessions
May 27, 2004 2 sessions
January 28, 2005 1 session

Total Forum Fees = \$13,900.00

The Panel has assessed \$13,900.00 of the forum fees against Respondent Sadowski.

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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Claimant requested duplication of hearing tapes = \$135.00

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 250.00
<u>Administrative Costs</u>	= \$ 135.00
Total Fees	= \$ 335.00
<u>Less payments</u>	= \$ 250.00
Balance Due NASD Dispute Resolution	= \$ 135.00

As stated in the "Award" section above, Respondent Sadowski is liable for and shall reimburse Claimant for the \$250.00 filing fee.

2. Respondent RAA is solely liable for:

<u>Member Fees</u>	= \$ 1,800.00
Total Fees	= \$ 1,800.00
<u>Less payments</u>	= \$ 1,200.00
Balance Due NASD Dispute Resolution	= \$ 600.00

3. Respondent MFSC is solely liable for:

<u>Member Fees</u>	= \$ 3,800.00
Total Fees	= \$ 3,800.00
<u>Less payments</u>	= \$ 3,800.00
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondent Sadowski is solely liable for:

<u>Forum Fees</u>	= \$13,900.00
Total Fees	= \$13,900.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$13,900.00


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

ARBITRATION PANEL

James T. Meyer, Esq.	-	Public Arbitrator, Presiding Chair
Paul S. Biederman	-	Public Arbitrator
Leonard Harvey	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument is which is my award.



James T. Meyer, Esq.
Public Arbitrator, Presiding Chairperson

2/6/05

Signature Date

Paul S. Biederman
Public Arbitrator

Signature Date

Leonard Harvey
Non-Public Arbitrator

Signature Date

February 8, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

James T. Meyer, Esq.	-	Public Arbitrator, Presiding Chair
Paul S. Biederman	-	Public Arbitrator
Leonard Harvey	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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James T. Meyer, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Paul S. Biederman
Paul S. Biederman
Public Arbitrator

Signature Date

Leonard Harvey
Non-Public Arbitrator

Signature Date

February 8, 2005
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ARBITRATION PANEL

James T. Meyer, Esq.	-	Public Arbitrator, Presiding Chair
Paul S. Biederman	-	Public Arbitrator
Leonard Harvey	-	Non-Public Arbitrator

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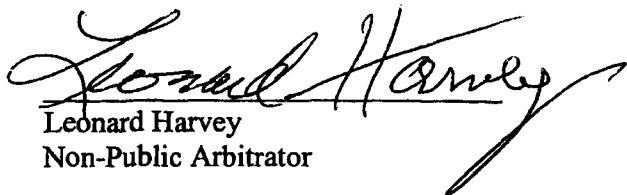
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James T. Meyer, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Paul S. Biederman
Public Arbitrator

Signature Date



Leonard Harvey
Non-Public Arbitrator

Signature Date

February 8, 2005

Date of Service (For NASD Dispute Resolution use only)

2/03/05
Signature Date