

**Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant  
United Securities Alliance, Inc.

Case Number: 02-05332

Names of the Respondents  
Harvey Cohen  
Cohen Financial Services, LLC

Hearing Site: Pittsburgh, PA

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Nature of the Dispute: Member vs. Associated Person and Non-Member

**REPRESENTATION OF PARTIES**

Claimant, United Securities Alliance, Inc., hereinafter referred to as "Claimant", was represented by Carla B. Minckley, Esq., Birge & Minckley, P.C., Denver, Colorado.

Respondents, Harvey Cohen ("Cohen") and Cohen Financial Services, LLC ("Cohen Financial"), hereinafter collectively referred to as "Respondents", were represented by James G. Wiles, Esq., Yardley, Pennsylvania. Neither Respondents nor their counsel appeared at the hearing on the merits.

**CASE INFORMATION**

Statement of Claim filed on or about September 9, 2002.

Claimant filed an Amended Statement of Claim on May 19, 2003.

A representative of Claimant signed the Uniform Submission Agreement on September 6, 2002.

Claimant filed a Motion to Bar Presentation of Facts or Defenses on August 27, 2003.

Respondents filed an Answer on October 3, 2003.

Respondents did not file Uniform Submission Agreements.

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of contract, contractual indemnification, common law indemnification and contribution, indemnification under 70 P.S. § 1-503 (A) and (B), and contribution under 70 P.S. § 1-503 (A) and (B). The causes of action relate to the sale of unapproved securities products.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted, failure to join indispensable parties, claims are barred as being contrary to public policy, and claims are barred as Claimant is in *pari delicto* with Respondents.

**RELIEF REQUESTED**

Claimant requested:

Compensatory Damages	\$ 105,000.00
Costs	\$ 16,356.34
Interest	amount unspecified
Other Costs	amount unspecified
Attorneys' Fees	amount unspecified

Respondents in their Statement of Answer requested that the Arbitration Panel (the "Panel") enter judgment in Respondents' favor, dismiss the Statement of Claim with prejudice, and Claimant take nothing by reason thereof.

**OTHER ISSUES CONSIDERED AND DECIDED**

On November 7, 2003, the Panel granted Claimant's Motion to Bar Presentation of Facts or Defenses and disallowed Respondents' Statement of Answer filed on October 3, 2003.

Upon review of the file and the representations made by and on behalf of the Claimant, the Panel determined that Respondents were properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code, and are bound by the determination of the Panel on all issues submitted.

**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 are jointly and severally liable to and shall pay to Claimant the sum of one hundred five thousand dollars and no cents (\$105,000.00) in compensatory damages;
2. Respondents are jointly and severally liable to and shall pay to Claimant the sum of twenty-six thousand four hundred twenty-three dollars and ninety cents (\$26,423.90) in attorneys' fees pursuant to the terms of the parties "Sales Representative Agreement";
3. Respondents are jointly and severally liable to and shall pay to Claimant the sum of one thousand dollars and no cents (\$1,000.00) as reimbursement for the claim filing fee;
4. The parties shall bear their respective costs, except as specifically stated herein and as Fees are addressed below; and,
5. Any and all 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 = \$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 that employed the associated person at the time of the events giving rise to the dispute.

Accordingly, United Securities Alliance, Inc. is a party.

Member surcharge = \$1,700.00

~~Pre-hearing process fee = \$ 750.00~~

Hearing process fee = \$2,750.00

**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 @ \$1,125.00 = \$2,250.00

Pre-hearing conferences: August 7, 2003 1 session  
March 18, 2004 1 session

One (1) Hearing session @ \$1,125.00 = \$1,125.00

Hearing Date: March 22, 2004 1 session

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Total Forum Fees = \$3,375.00

The Panel has assessed \$3,375.00 of the forum fees to Respondent Harvey Cohen.

**Fee Summary**

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
Total Fees	= \$ 6,200.00
Less payments	= \$ 7,325.00
Refund owed Claimant by NASD Dispute Resolution	= \$ 1,125.00

2. Respondent Harvey Cohen is assessed and shall pay:

Forum Fees	= \$ 3,375.00
Total Fees	= \$ 3,375.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,375.00

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

**ARBITRATION PANEL**

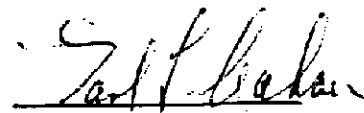
John R. Crayton, Esq.  
Earl L. Cahan, Esq.  
Vernon C. Walker

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
John R. Crayton, Esq.  
Public Arbitrator, Presiding Chairperson

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

  
\_\_\_\_\_  
Earl L. Cahan, Esq.  
Public Arbitrator, Panelist

4/19/04  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Vernon C. Walker  
Non-Public Arbitrator, Panelist

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

April 21, 2004  
\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution office use only)