

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Donna M. Heatfield
Barry M. Heatfield
Donna M. Heatfield IRA
Barry M. Heatfield IRA

Case Number: 02-05743

Names of the Respondents

Royal Alliance Associates, Inc.
Shimshon Plotkin

Hearing Site: Baltimore, MD

Nature of the Dispute: Customers vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimants, Donna M. Heatfield and Barry M. Heatfield, individually and on behalf of their IRAs, hereinafter collectively referred to as "Claimants", were represented by Dickee M. Howard, Esq. and William N. Butler, Esq., Howard Butler & Melfa, P.A., Towson, Maryland.

Respondents, Royal Alliance Associates, Inc. ("Royal Alliance") and Shimshon Plotkin ("Plotkin"), hereinafter collectively referred to as "Respondents", were represented by John Tremain May, Esq., Attorney at Law, Washington, DC.

CASE INFORMATION

Statement of Claim filed on September 24, 2002.

Claimants signed the Uniform Submission Agreement on September 17, 2002.

Joint Statement of Answer filed by Respondents on December 9, 2002.

Respondent Plotkin signed the Uniform Submission Agreement on April 7, 2003.

A representative of Respondent Royal Alliance executed the Uniform Submission Agreement on April 14, 2003.

CASE SUMMARY

Claimants asserted the following causes of action, among others: unsuitability, breach of fiduciary duty, fraud, common law fraud, *respondeat superior*, and violation of NASD and SEC rules and regulations. The causes of action relate to the purchase of various mutual funds invested in technology stocks including Biotechnology and Energy Service.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the

Statement of Claim and asserted the following defenses, among others: Claimants failed to state a claim upon which relief may be granted, statute of limitations, failure to mitigate damages, contributory negligence, and assumption of the risk.

RELIEF REQUESTED

Claimants in their Statement of Claim requested actual damages of \$212,189.00; \$124,000.00 in lost profits; punitive damages in the amount of \$250,000.00; filing fees; and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

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 Arbitration Panel (the "Panel") has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Royal Alliance and Plotkin are jointly and severally liable to and shall pay to Claimants compensatory damages in the amount of \$25,000.00;
2. All claims for punitive damages and attorneys' fees are denied in their entirety;
3. The parties shall bear their respective costs, except as Fees are specifically addressed below; and
4. 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	= \$ 375.00
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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(s) at the time of the events giving rise to the dispute. Accordingly, Royal Alliance is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Total Member Fees = \$7,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 19-23, 2004 joint adjournment = \$1,200.00

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:

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$1,200.00

Pre-hearing conference: May 6, 2003 1 session

Seven (7) hearing sessions @ \$1,200.00 = \$8,400.00

Hearing Dates:	October 25, 2004	2 sessions
	October 26 2004	2 sessions
	October 27, 2004	2 sessions
	October 28, 2004	1 session

Total Forum Fees = \$9,600.00

1. The Panel has assessed \$4,800.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$4,800.00 of the forum fees jointly and severally to Respondents.

EEE SUMMARY

1. Claimants are jointly and severally assessed and shall pay the following fees:

Initial Filing Fee	= \$ 375.00
Adjournment Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$4,800.00</u>
Total Fees	= \$5,775.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$4,200.00

2. Respondent Royal Alliance is assessed and shall pay the following fees:

Member Fees	= \$7,000.00
<u>Adjournment Fee</u>	<u>= \$ 300.00</u>
Total Fees	= \$7,300.00
Less payments	= \$7,300.00
Balance Due NASD Dispute Resolution	= \$ 00.00

4. Respondent Plotkin is assessed and shall pay the following fees:

<u>Adjournment Fee</u>	<u>= \$ 300.00</u>
Total Fees	= \$ 300.00

<u>Less payments</u>	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$ 300.00

5. Respondents Royal Alliance and Plotkin are jointly and severally assessed and shall pay the following fees: —

<u>Forum Fees</u>	= \$4,800.00
Total Fees	= \$4,800.00
<u>Less payments</u>	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$4,800.00

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

ARBITRATION PANEL

Richard P. Regan, Esq.	-	Public Arbitrator, Presiding Chairperson
Joseph A. Kenary, Esq.	-	Public Arbitrator, Panelist
Donald R. Giacomelli	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Richard P. Regan, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Joseph A. Kenary, Esq.
Public Arbitrator, Panelist

Signature Date

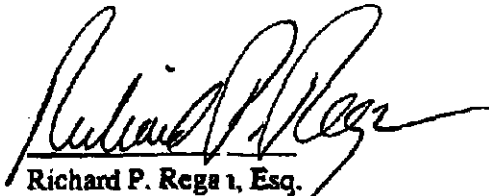
Donald R. Giacomelli
Non-Public Arbitrator, Panelist

Signature Date

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

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Concurring Arbitrators' Signatures



Richard P. Regan, Esq.
Public Arbitrator, Presiding Chairperson

11/5/04
Signature Date

Joseph A. Kenary, Esq.
Public Arbitrator, Panelist

Signature Date

Donald R. Giaccinelli
Non-Public Arbitrator, Panelist

Signature Date

11/12/04
Date of Service (For NASD Dispute Resolution office use only)

11/05/2004 15:47 FAX 302 728 8082

NASD DISPUTE RESOLUTION

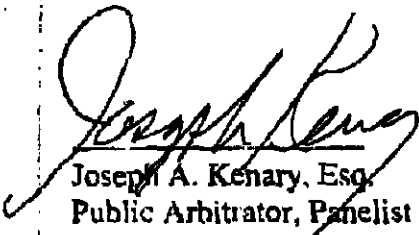
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Concurring Arbitrators' Signatures

Richard P. Regan, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Joseph A. Kenary, Esq.
Public Arbitrator, Panelist

11-9-04
Signature Date

Donald R. Giacomelli
Non-Public Arbitrator, Panelist

Signature Date

11/12/04
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
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Concurring Arbitrators' Signatures

Richard P. Regan, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Joseph A. Kenary, Esq.
Public Arbitrator, Panelist

Signature Date



Donald R. Giacomelli
Non-Public Arbitrator, Panelist

11/9/04

Signature Date

11/12/04

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