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

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In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 02-06238

Bonnie M. Vanlandingham, TTEE of the  
Bonnie M. Vanlandingham Trust; Bonnie M.  
Vanlandingham, TTEE of the Ronald W.  
Vanlandingham Trust; and, Bonnie M.  
Vanlandingham

Names of the Respondents

Hearing Site: Boca Raton, Florida

FSC Securities Corporation and Michael J.  
Klimis

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

**REPRESENTATION OF PARTIES**

For Bonnie M. Vanlandingham, TTEE of the Bonnie M. Vanlandingham Trust; Bonnie M. Vanlandingham, TTEE of the Ronald W. Vanlandingham Trust; and, Bonnie M. Vanlandingham, hereinafter referred to as "Claimant": Hugh H. Bernstein, Esq. and Lawrence Freshman, Esq., Law Offices of Hugh H. Bernstein, Miami, Florida.

For FSC Securities Corporation ("FSC") and Michael J. Klimis ("Klimis"), hereinafter collectively referred to as "Respondents": William Zeena, Jr., Esq. and Alan M. Herman, Esq., Wilson, Elser, Moskowitz, Edelman & Dicker, LLP, Miami, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: October 18, 2002.

Claimant signed the Uniform Submission Agreement: November 14, 2002.

Answer and Affirmative Defenses filed by Respondents on or about: January 16, 2003.

Respondent Klimis signed the Uniform Submission Agreement: January 2, 2003.

Respondent FSC signed the Uniform Submission Agreement: December 18, 2002.

**CASE SUMMARY**

Claimant asserted the following causes of action: negligence; breach of fiduciary duty; negligent supervision; unsuitability; and, misrepresentation. The causes of action relate to the purchase, on margin, of unspecified securities products in Claimant's accounts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

### **RELIEF REQUESTED**

Claimant requested compensatory damages in an amount between \$800,000.00 and \$1,000,000.00.

Respondents requested judgment dismissing Claimant's claims, plus costs, attorneys' fees and any other relief deemed just and proper.

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

On or about March 16, 2004, Claimant notified NASD Dispute Resolution that this matter had been settled.

On or about March 25, 2004, Claimant notified NASD Dispute Resolution that Respondent Klimis was dismissed, with prejudice. In addition, the parties submitted a Joint Motion for Entry of Stipulated Award with a request that the Panel enter the Stipulated Award recommending the expungement of this matter from the NASD Central Registration Depository ("CRD") records of Respondent Klimis.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

### **AWARD**

After considering the pleadings, the Joint Motion for Entry of Stipulated Award and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel recommends the expungement of all references to the above captioned arbitration from Respondent Klimis' registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Klimis must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (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

### **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. In this matter, the member firm is a party.

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

### **Adjournment Fees**

Adjournment granted during these proceedings for which fees were assessed:

December 8-10, 2003, adjournment requested by Respondents	= \$ 1,200.00
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The Panel has assessed the total adjournment fee of \$1,200.00 to Claimant.

### **Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

### **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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: September 11, 2003 1 session	
Two (2) Pre-hearing sessions with the Panel @ \$1,200.00	= \$2,400.00
Pre-hearing conferences: May 27, 2003 1 session	
June 9, 2003 1 session	
Total Forum Fees	= \$2,850.00

Pursuant to the agreement of the parties, the Panel has assessed \$1,425.00 of the forum fees to Claimant and \$1,425.00 of the forum fees to Respondent FSC.

### **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 are not limited to: additional

copies of arbitrator awards; copies of audio transcripts; retrieval of documents from archives; interpreters; and, security.

No administrative costs were incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Adjournment Fee	= \$ 1,200.00
Forum Fees	= \$ 1,425.00
Total Fees	= \$ 3,000.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 1,425.00

Respondent FSC is solely liable for:

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 1,425.00
Total Fees	= \$ 8,425.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 1,425.00

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

**ARBITRATION PANEL**

Mathias E. Mone, Esq.	-	Public Arbitrator, Presiding Chairperson
Steven R. Reininger, Esq.	-	Public Arbitrator
Sharon L. McKinney	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/

03/30/04

Mathias E. Mone, Esq.  
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

03/29/04

Steven R. Reininger, Esq.  
Public Arbitrator

Signature Date

/s/

03/31/04

Sharon L. McKinney  
Non-Public Arbitrator

Signature Date

04/01/04

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

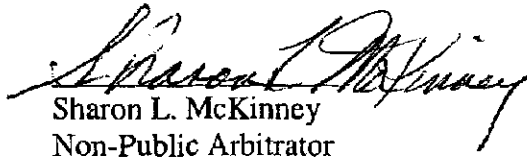
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Mathias E. Mone, Esq.  
Public Arbitrator, Presiding Chairperson

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

\_\_\_\_\_  
Steven R. Reininger, Esq.  
Public Arbitrator


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

  
Sharon L. McKinney  
Non-Public Arbitrator

3/31/04  
Signature Date

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

Concurring Arbitrators' Signatures

  
Mathias E. Mone, Esq.  
Public Arbitrator, Presiding Chairperson

3-30-04  
Signature Date

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Steven R. Reisinger, Esq.  
Public Arbitrator

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Signature Date

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Sharon L. McKinney  
Non-Public Arbitrator

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Signature Date

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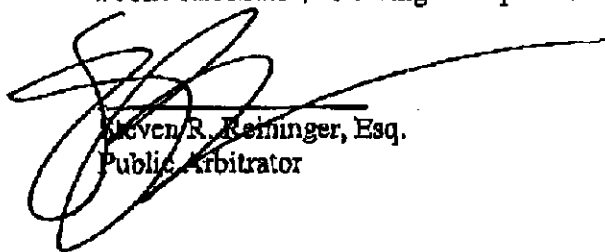
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Concurring Arbitrators' Signatures

Mathias E. Mone, Esq.  
Public Arbitrator, Presiding Chairperson

Signature Date



Steven R. Rehinger, Esq.  
Public Arbitrator

3/27/07  
Signature Date

Sharon L. McKinney  
Non-Public Arbitrator

Signature Date

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