

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Nora Muhlbaum Leeds (Claimant) v. Howard Lisch Investment Services, Howard Lisch, and Securities Service Network, Inc. (Respondents)

Case Number: 02-06584

Hearing Site: New York, New York

Nature of the Dispute: Customer v. Non-Member, Associated Person, and Member Firm.

REPRESENTATION OF PARTIES

Claimant Nora Muhlbaum Leeds, hereinafter referred to as "Claimant": Eric J. Sussman, Esq., Garden City, NY.

Respondents Howard Lisch ("Lisch"), Howard Lisch Investment Services ("HLIS"), and Securities Service Network, Inc. ("SSN"), hereinafter collectively referred to as "Respondents": Ronald T. Klimas, Vice President and Director of Compliance, Securities Service Network, Inc., Knoxville, TN.

CASE INFORMATION

Statement of Claim filed on or about: October 28, 2002.

Claimant signed the Uniform Submission Agreement: August 4, 2002.

Joint Statement of Answer filed by Respondents on or about: January 8, 2003.

Lisch signed the Uniform Submission Agreement: January 6, 2003.

SSN signed the Uniform Submission Agreement: January 8, 2003.

HLIS did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: suitability; failure to follow instructions; improper use of margin; negligent supervision; breach of fiduciary duty; and negligence. Claimant's claims involved unspecified types of securities.

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

RELIEF REQUESTED

Claimant requested that her losses in her account of approximately \$200,000.00 be immediately restored to her; that all commissions over the life of the account be restored

to her; all margin interest and fees incurred be returned; an amount compensating her for interest, loss of value of the account, and lost opportunity costs estimated to be in excess of \$100,000.00; that interest be awarded in an amount equal to New York State statutory interest rates from the opening of the account until the payment of any award to her; that punitive damages be imposed against all parties for their wanton disregard of her investment objectives and best interests, and the improper and inadequate supervision of employees'/agents' activities with regard to her account in an amount to be determined by the arbitration panel; reimbursement for all costs and legal expenses incurred in bringing this action; and that additional damages be assessed against SSN and Lisch as the arbitration panel may deem appropriate.

Respondents requested that the claims against them be dismissed; that they be awarded costs and attorneys' fees for defending against this action; that all costs and assessments by the NASD be borne by the Claimant; and that the Respondents be awarded such other and further general relief to which they may be entitled, including, but not limited to the expungement of Mr. Lisch's CRD record relating to this meritless claim.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent HLIS is not an NASD member, and therefore, was not required to arbitrate in this forum, and in accordance with their letter dated January 21, 2003, chose not to submit to NASD Dispute Resolution's jurisdiction.

At the time arbitrator Christopher Sweeny was appointed to the panel in the above-referenced matter, he was classified as a public arbitrator. Subsequently, his classification was changed to that of a non-public arbitrator. By letter dated November 5, 2003, the parties were advised of arbitrator Sweeny's change in classification.

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, and 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. Claimant's claims are hereby denied in their entirety.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Howard Lisch's registration records maintained by the

NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Howard Lisch must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.

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	= \$ 300.00
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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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Securities Service Network 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 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 Panel @ \$1,1250.00	= \$1,125.00
Pre-hearing conference: May 12, 2003 1 session	

Three (3) Hearing sessions @ \$1,1250.00	= \$3,375.00
Hearing Dates: October 8, 2003 2 sessions	
October 9, 2003 1 session	

Total Forum Fees	= \$4,500.00
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1. The Panel has assessed \$2,250.00 of the forum fees against Claimant.
2. The Panel has assessed \$2,250.00 of the forum fees jointly and severally against Respondents Securities Service Network and Howard Lisch.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$2,250.00

Total Fees	= \$2,550.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$1,125.00

2. SSN is solely liable for:

<u>Member Fees</u>	<u>= \$5,200.00</u>
Total Fees	= \$5,200.00
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Lisch and SSN are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$2,250.00</u>
Total Fees	= \$2,250.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$2,250.00

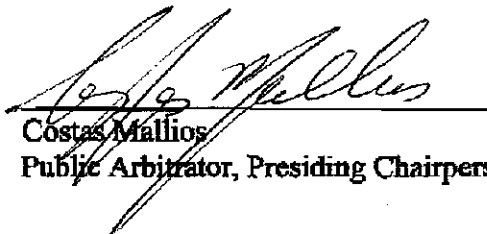
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Costas Mallios	-	Public Arbitrator, Presiding Chair
Linda T. Pellegrino, Esq.	-	Non-Public Arbitrator
Christopher P. Sweeny	-	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, which is my award.



Costas Mallios
Public Arbitrator, Presiding Chairperson

Signature Date

Linda T. Pellegrino, Esq.
Non-Public Arbitrator

Signature Date

Christopher P. Sweeny
Non-Public Arbitrator

Signature Date

November 12, 2003

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

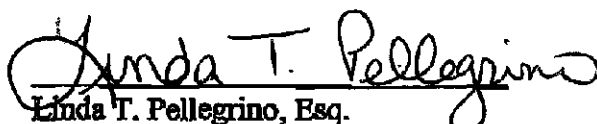
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Signature Date



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Christopher P. Sweeny
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Costas Mallios
Public Arbitrator, Presiding Chairperson

Signature Date

Linda T. Pellegrino, Esq.
Non-Public Arbitrator

Signature Date



Christopher P. Sweeny
Non-Public Arbitrator

11-6-03

Signature Date

November 12, 2003

Date of Service (For NASD Dispute Resolution use only)