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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Monique Nakis

Case Number: 02-06610

Name of the Respondent  
Raymond James & Associates, Inc.

Hearing Site: Boca Raton, Florida

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Nature of the Dispute: Customer vs. Member Firm.

**REPRESENTATION OF PARTIES**

For Monique Nakis ("Nakis"), hereinafter referred to as "Claimant": Jeffrey S. Grubman, Esq., Stollman & Grubman, P.A., Boca Raton, Florida.

For Raymond James & Associates, Inc. ("RJA"), hereinafter referred to as "Respondent": Charles E. Scarlett, Esq., Charles E. Scarlett, P.A., Boca Raton, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: November 1, 2002.

Claimant signed the Uniform Submission Agreement: October 29, 2002.

Statement of Answer filed by Respondent on or about: January 3, 2003.

Respondent signed the Uniform Submission Agreement: November 21, 2002.

**CASE SUMMARY**

Claimant asserted the following causes of action: unauthorized and unsuitable trading; violation of Florida Statutes Section 517.301; breach of fiduciary duty, common law fraud; negligence; and negligent supervision. The causes of action as alleged by Claimant relate to the purchase of a disproportionately high percentage of equities in Claimant's account, including the purchase of speculative stocks, such as: Broadcom; JDS Uniphase; Novavax; AOL; Cisco; Dell; EMC; Intel; Lucent; Nortel; and Sun Microsystems.

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

**RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$126,111.60, plus punitive damages, interest in the amount of \$140,175.15, costs, attorneys' fees, and such other relief as the Panel deemed just.

Respondent requested that all claims against Respondent be dismissed, and that Respondent be awarded forum fees, costs, attorneys' fees and such other relief as the Panel deemed just and proper, including, but not limited to, an express finding of expungement of this matter from the Respondent's CRD records.

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

The parties 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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable on the following claims: unsuitable trading; violation of Florida Statute 517.301; breach of fiduciary duty; common law fraud; negligence; and negligent supervision.

Respondent is not liable on the claim for unauthorized trading because Claimant failed to prove by the greater weight of credible evidence that unauthorized trading occurred.

Respondent shall pay to Claimant compensatory damages in the amount of \$198,285.73, inclusive of prejudgment interest, said amount having been derived at pursuant to Florida Statute 517.211. Post-judgment interest shall accrue in accordance with Rule 10330(h) of the NASD Code of Arbitration Procedure (the "Code").

Claimant is the prevailing party under Florida Statute 517.211(6), which entitles Claimant to reimbursement of Claimant's attorneys' fees, the amount of which shall be determined by a court of competent jurisdiction. Respondent's request for attorneys' fees is denied.

Each party shall pay its own costs.

Any and all requests for relief not specifically addressed herein, including Claimant's request for punitive damages, are 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	= \$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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, RJA is a member firm and a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

**Adjournment Fees**

No adjournments were requested in this matter.

**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.

Injunctive relief fees were not assessed 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 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 the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: April 10, 2003 1 session	
One (1) Pre-hearing session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: October 2, 2003 1 session	
Eight (8) Hearing sessions with the Panel @ \$1,125.00/session	= \$ 9,000.00
Hearing Dates: November 24, 2003 2 sessions	
November 25, 2003 2 sessions	
November 26, 2003 2 sessions	
December 1, 2003 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$10,575.00

The Panel has assessed the total forum fees of \$10,575.00 to Respondent.

**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.

There were no administrative costs incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less Payments</u>	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Forum Fees</u>	= \$10,575.00
<u>Total Fees</u>	= \$15,775.00
<u>Less Payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$10,575.00

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

**ARBITRATION PANEL**

James A. Porter, Esq.	-	Public Arbitrator, Presiding Chairperson
Joel Margolies	-	Non-Public Arbitrator
Muriel Cohen	-	Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
James A. Porter, Esq.  
Public Arbitrator, Presiding Chairperson

12/15/03  
Signature Date

/s/  
Joel Margolies  
Non-Public Arbitrator

12/12/03  
Signature Date

NASD Dispute Resolution

Arbitration No. 02-06610

Award Page 5 of 5

/s/

Muriel Cohen

Public Arbitrator

12/14/03

Signature Date

12/18/03

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

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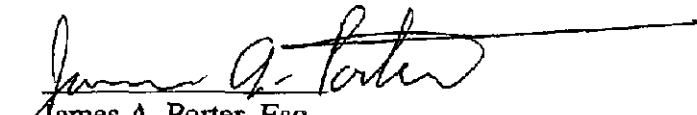
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Joel Margolies	-	Non-Public Arbitrator
Muriel Cohen	-	Public Arbitrator

**Concurring Arbitrators' Signatures**

  
James A. Porter, Esq.  
Public Arbitrator, Presiding Chairperson

Dec. 15, 2003  
Signature Date

Joel Margolies  
Non-Public Arbitrator

Signature Date

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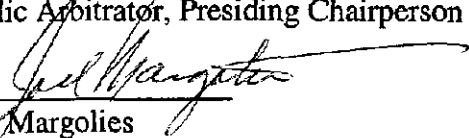
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Public Arbitrator, Presiding Chairperson

  
Joel Margolies  
Non-Public Arbitrator

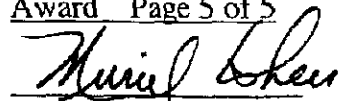
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• NASD Dispute Resolution

Arbitration No. 02-06610

• Award Page 5 of 5



Muriel Cohen

Public Arbitrator

12/14/03

Signature Date

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