

Award  
NASD Dispute Resolution

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In the Matter of the Arbitration Between:

Name of the Claimants

Mary Aiello  
Mary Aiello IRA

Case Number: 02-07173

Names of the Respondents

Ferris, Baker Watts, Inc.  
David Anderson

Hearing Site: Baltimore, MD

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

REPRESENTATION OF PARTIES

Claimant, Mary Aiello individually and on behalf of her IRA ("Claimant"), was represented by John P. Connolly, Esq., Law Offices of John P. Connolly, Alexandria, Virginia.

Respondents, Ferris, Baker Watts, Inc. ("Ferris Baker") and David Anderson ("Anderson"), hereinafter collectively referred to as ("Respondents"), were represented by Dana M. S. Wilson, Esq., Ferris, Baker Watts, Inc., Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on November 25, 2002.

Claimant signed the Uniform Submission Agreement individually and on behalf of her IRA on November 22, 2002.

Statement of Answer filed by Respondent Ferris Baker on January 31, 2003.

A representative of Respondent Ferris Baker signed the Uniform Submission Agreement on March 3, 2003.

Claimant filed a Motion to Amend Statement of Claim to add David Anderson as an additional Respondent on December 18, 2002.

On January 8, 2004 Respondent Anderson adopted the statement of facts and affirmative defenses set forth in Ferris Baker's Answer of January 31, 2003.

Respondent Anderson did not file a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action, among others: misstatement of material facts, suitability, failure to supervise, omission of material facts, breach of contract, and breach of fiduciary duty. The causes of action relate to the purchase of several unspecified variable annuities.

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 mitigate damages, contributory negligence, and Claimant is estopped from bringing her claims by failing to object in a timely manner.

RELIEF REQUESTED

Claimant in her Statement of Claim requested:

Compensatory Damages	\$1,700,000.00
Punitive Damages	\$ 700,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents in their Statement of Answer requested that the claim be dismissed in its entirety and that they be rewarded costs and expenses and for such other relief as the Arbitration Panel (the "Panel") deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Anderson did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

The Panel granted Claimant's Motion to Amend the Statement of Claim to add Anderson as additional Respondent on August 23, 2003.

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, hearing), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents Ferris Baker and Anderson are denied in their entirety;
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein, including punitive damages, 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 = \$ 500.00

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, Ferris Baker is a party.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

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 a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: January 21, 2004 1 session	

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: July 14, 2003 1 session	

Twelve (12) hearing sessions @ \$1,200.00	= \$14,400.00
Hearing Dates:	
February 23, 2004	2 sessions
February 24, 2004	2 sessions
February 26, 2004	2 sessions
February 27, 2004	2 sessions
June 22, 2004	2 sessions
June 25, 2004	2 sessions

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Total Forum Fees	= \$16,050.00
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1. The Panel has assessed \$8,025.00 of the forum fees to Claimant.
2. The Panel has assessed \$8,025.00 of the forum fees to Respondent Ferris Baker.

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.

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|---------------------------------------|-------------|
| 1. Claimant requested copies of tapes | = \$ 240.00 |
|---------------------------------------|-------------|

### FEE SUMMARY

1. Claimant is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 8,025.00
Administrative Costs	= \$ 240.00
Total Fees	= \$ 8,765.00
Less payments	= \$ 1,940.00
Balance Due NASD Dispute Resolution	= \$ 6,825.00

2. Respondent Ferris Baker is assessed and shall pay the following fees:

Member Fees	= \$ 8,550.00
Forum Fees	= \$ 8,025.00
Total Fees	= \$16,575.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 8,025.00

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

### ARBITRATION PANEL

Emily Eiselman Hunter, Esq.	-	Public Arbitrator, Presiding Chairperson
Kenneth J. Annis, Esq.	-	Public Arbitrator, Panelist
Daniel J. Donovan, Esq.	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

\_\_\_\_\_  
Emily Eiselman Hunter, Esq  
Public Arbitrator, Presiding Chairperson

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

\_\_\_\_\_  
Daniel J. Donovan, Esq.  
Non-Public Arbitrator, Panelist

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

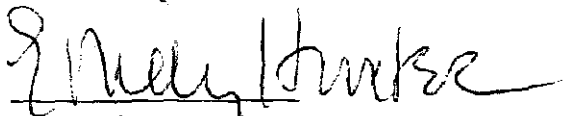
Dissenting Arbitrator's Signature

\_\_\_\_\_  
Kenneth J. Annis, Esq.  
Public Arbitrator, Panelist

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

7/14/04  
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures



Emily Eiselman Hunter, Esq.  
Public Arbitrator, Presiding Chairperson

7/12/04

Signature Date

\_\_\_\_\_  
Daniel J. Donovan, Esq.  
Non-Public Arbitrator, Panelist

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Signature Date

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Kenneth J. Annis, Esq.  
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NASD Dispute Resolution  
Arbitration No. 02-07173  
Award Page 5

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Public Arbitrator, Presiding Chairperson

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

  
\_\_\_\_\_  
Daniel J. Donovan, Esq.  
Non-Public Arbitrator, Panelist

8 July 04  
\_\_\_\_\_  
Signature Date

Dissenting Arbitrator's Signature

\_\_\_\_\_  
Kenneth J. Annis, Esq.  
Public Arbitrator, Panelist

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NASD Dispute Resolution

Arbitration No. 02-07173

Award Page 5Concurring Arbitrators' Signatures

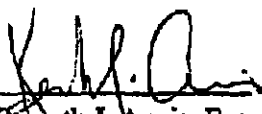
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Emily Eiselman Hunter, Esq.  
Public Arbitrator, Presiding Chairperson

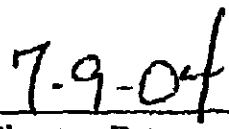
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