

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 02-07717

Gary M. Hock

Name of the Respondents

Hearing Site: Charlotte, North Carolina
(Hearing held in Durham, North Carolina)

Franklin Street Partners, Inc.
Franklin Street Advisors, Inc.
Richard Blankenship

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

REPRESENTATION OF PARTIES

Claimant Gary M. Hock, hereinafter referred to as "Claimant", was represented by Neil A. Riemann, Esq., Penry Riemann PLLC, Raleigh, North Carolina.

Respondents Franklin Street Partners, Inc., Franklin Street Advisors, Inc., and Richard Blankenship, hereinafter collectively referred to as "Respondents", were represented by Gary J. Rickner, Esq., Ward and Smith, PA, New Bern, North Carolina.

CASE INFORMATION

Statement of Claim filed on December 17, 2002.

Revised Statement of Claim filed on March 4, 2003.

Claimant signed the Uniform Submission Agreement on February 10, 2003.

Statement of Answer filed by Respondents on April 7, 2003.

Respondent Richard Blankenship signed the Uniform Submission Agreement on February 20, 2003.

A representative of Respondent Franklin Street Advisors, Inc. executed the Uniform Submission Agreement on February 20, 2003.

A representative of Respondent Franklin Street Partners executed the Uniform Submission Agreement on February 20, 2003.

CASE SUMMARY

Claimant asserted the following causes of action, among others: breach of contract and negligence. The causes of action relate to the sale of unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: Respondents discharged all responsibilities to Claimant; contributory negligence; any alleged losses were not caused by Respondents; and, assumption of risk.

RELIEF REQUESTED

Claimant in his Statement of Claim requested:

| | |
|----------------------|--------------------|
| Compensatory Damages | \$80,538.22 |
| Interest | amount unspecified |
| Attorneys' Fees | amount unspecified |

OTHER ISSUES CONSIDERED AND DECIDED

By Order dated November 18, 2002, Judge David Q. LaBarre of the General Court of Justice Superior Court Division of the State of North Carolina ordered the parties to arbitration.

The parties requested and the Panel agreed to have the hearing held in Durham, North Carolina. The parties agreed to pay any additional expenses associated with holding the hearing in Durham, North Carolina instead of Charlotte, North Carolina, the official NASD Dispute Resolution hearing location for this matter.

AWARD

After considering the pleadings, 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. Respondents are jointly and severally liable to and shall pay to Claimant compensatory damages in the amount of \$77,459.84;
2. Respondents are jointly and severally liable to and shall pay to Claimant reimbursement of the filing fee in the amount of \$225.00;
3. The parties shall bear their respective costs, including attorney's fees, except as Fees are specifically addressed below; and,
4. 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 = \$ 225.00

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 @ \$750.00 = \$ 750.00

Pre-hearing conference: August 27, 2003 1 session

Two (2) Hearing sessions @ \$750.00 = \$1,500.00

Hearing Date: November 10, 2003 2 sessions

Total Forum Fees = \$2,250.00

1. The Panel has assessed \$2,250.00 of the forum fees jointly and severally to Respondents.

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.

Costs associated with arbitrator travel to Durham, North Carolina = \$ 709.80

1. The Panel has assessed \$354.90 of the administrative costs jointly and severally to Respondents.

2. The Panel has assessed \$354.90 of the administrative costs to Claimant.

FEE SUMMARY

1. Claimant is assessed the following fees:

Initial Filing Fee = \$ 225.00

Administrative Costs = \$ 354.90

Total Fees = \$ 579.90

Less payments = \$ 975.00

Refund Owed Claimant = \$ 395.10

2. Respondents are jointly and severally assessed the following fees:

| | |
|-------------------------------------|--------------|
| Forum Fees | = \$2,250.00 |
| Administrative Costs | = \$ 354.90 |
| Total Fees | = \$2,604.90 |
| Less payments | = \$1,700.00 |
| Balance Due NASD Dispute Resolution | = \$ 904.90 |

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

ARBITRATION PANEL

| | | |
|-----------------------------|---|--|
| Zeb E. Barnhardt, Jr., Esq. | - | Public Arbitrator, Presiding Chairperson |
| Thomas W. Steed, Jr., Esq. | - | Public Arbitrator, Panelist |
| James E. Brucki, Jr. | - | Non-Public Arbitrator, Panelist |

Concurring Arbitrators' Signatures

Zeb E. Barnhardt, Jr.

Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Nov. 22, 2003

Signature Date

Thomas W. Steed, Jr., Esq.
Public Arbitrator, Panelist

Signature Date

James E. Brucki, Jr.
Non-Public Arbitrator, Panelist

Signature Date

December 3, 2003
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Thomas Steeg

Thomas W. Steed, Jr., Esq.
Public Arbitrator, Panelist

12/01/03

Signature Date

James E. Brucki, Jr.
Non-Public Arbitrator, Panelist

Signature Date

December 3 2003
Date of Service (For NASD Dispute Resolution office use only)


Concurring Arbitrators' Signatures

Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Thomas W. Steed, Jr., Esq.
Public Arbitrator, Panelist

Signature Date


James E. Brucki, Jr.
Non-Public Arbitrator, Panelist

11/24/2003
Signature Date

December 3, 2003
Date of Service (For NASD Dispute Resolution office use only)