

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Sheila Perrin, Claimant v. National Securities Corp. and Peter Rettman, Respondents

Case Number: 03-01071

Hearing Site: Seattle, Washington

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

REPRESENTATION OF PARTIES

For Claimant:

Stephen M. Hansen, Esq.
Lowenberg, Lopez & Hansen, P.S.
Tacoma, Washington

For Respondents:

Arian Colachis, Esq.
Golbeck Roth & Colachis, PLLC
Seattle, Washington

CASE INFORMATION

Statement of Claim filed: February 28, 2003

Claimant's Uniform Submission Agreement signed: February 28, 2003

Joint Statement of Answer filed by Respondents: May 12, 2003

Respondent National Securities Corp.'s Uniform Submission Agreement signed: May 9, 2003

Respondent Peter Rettman's Uniform Submission Agreement signed: May 9, 2003

CASE SUMMARY

Claimant's Statement of Claim alleged breach of contract, breach of fiduciary duty, unsuitable recommendations, intentional and/or negligent misrepresentation, non-disclosure, unfair and deceptive acts and practices, negligence, violation of state laws, and failure to supervise. Claimant's allegations concerned the purchase of common stock in Numex Corp. and Cytoclonal Pharmaceuticals, Inc.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and raised the affirmative defenses of ratification, third party liability, failure to mitigate damages, contributory and comparative negligence, statute of limitations, statute of repose, and estoppel.

RELIEF REQUESTED

Claimant requested actual damages in the amount of \$162,000.00, treble damages pursuant to the Revised Code of Washington 19.86.090, unspecified pre- and post-judgment interest, and costs, including attorney's fees.

Respondents requested dismissal with prejudice of the Claimant's Statement of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearing, Respondents made a Motion to Dismiss Claimant's claims with prejudice. After due consideration, the Panel denied the Respondents' Motion to Dismiss.

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, testimony, and evidence presented at the hearing, the Panel 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 Claimant the sum of \$81,454.00 in compensatory damages.
- 2) Respondents are jointly and severally liable to and shall pay Claimant interest in the amount of 8% per annum on \$81,454.00 from February 17, 2000 until payment of this Award is made in full.
- 3) The Parties shall bear their respective costs, including attorney's fees.
- 4) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm National Securities Corp. is a party and the following fees are assessed:

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

The following adjournment fees are assessed:

March 8-11, 2004 adjournment requested by Respondents	= \$ 1,125.00
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Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or the parties and the Panel. The following fees are assessed:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$ 2,250.00
Pre-hearing conferences: August 28, 2003	1 session
February 6, 2004	1 session

Ten (10) Hearing sessions @ \$1,125.00/session	= \$11,250.00
Hearings: May 19, 2004	2 sessions
May 20, 2004	2 sessions
May 21, 2004	2 sessions
June 16, 2004	2 sessions
June 17, 2004	2 sessions

Total Forum Fees	= \$13,500.00
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1. The Panel assessed \$6,750.00 of the forum fees to Claimant.
2. The Panel assessed \$6,750.00 of the forum fees jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Respondents requested eight (8) audiotapes @ \$15.00: = \$ 120.00

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 6,750.00
Total Fees	= \$ 7,050.00
Less payments	= \$(1,425.00)
<u>Less unused Mediation Deposit</u>	= \$ (799.83)
Balance Due NASD Dispute Resolution	= \$ 4,825.17
2. Respondent National Securities Corp. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Less payments</u>	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondents National Securities Corp. and Peter Rettman are charged jointly and severally with the following fees and costs:

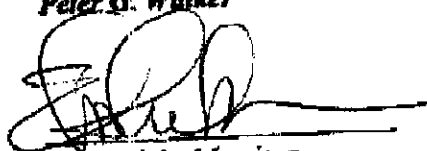
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 6,750.00
<u>Administrative Costs</u>	= \$ 120.00
Total Fees	= \$ 7,995.00
Less Payment by National Securities Corp.	= \$ (870.00)
<u>Less unused Mediation Deposit made by National Securities Corp.</u>	= \$ (174.82)
Balance Due NASD Dispute Resolution	= \$ 6,950.18

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

NASD Dispute Resolution
Arbitration No. 03-01071
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ARBITRATION PANEL

Elizabeth L. Morrison
Daniel S. Gottlieb, Esq.
Peter G. Walker



Elizabeth L. Morrison
Chair, Public Arbitrator

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

6/21/04
Signature Date

Daniel S. Gottlieb, Esq.
Public Arbitrator

Signature Date

Peter G. Walker
Non-Public Arbitrator

Signature Date

6/21/04
Date of Service

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Elizabeth L. Morrison
Daniel S. Gottlieb, Esq.
Peter G. Walker

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Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Elizabeth L. Morrison
Chair, Public Arbitrator


Daniel S. Gottlieb, Esq.
Public Arbitrator

Signature Date

6/21/04
Signature Date

Peter G. Walker
Non-Public Arbitrator

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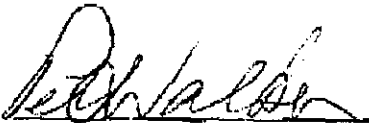
Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Elizabeth L. Morrison
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Signature Date

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Public Arbitrator

Signature Date


Peter G. Walker
Non-Public Arbitrator

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