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

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In the Matter of the Arbitration Between:

Name of the Claimant  
Rita Conroy

Case Number: 03-01470

Name of the Respondent  
Paul J. Vladem

Hearing Site: Boca Raton, Florida

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Nature of the Dispute: Customer v. Associated Person.

**REPRESENTATION OF PARTIES**

For Rita Conroy, hereinafter referred to as "Claimant": Scott L. Silver, Esq. and Randall C. Place, Esq., Blum Silver & Schwartz, LLP, Plantation, Florida.

For Paul J. Vladem, hereinafter referred to as "Respondent": Burton W. Wiand, Esq. and Matthew R. Parker, Esq., Fowler White Boggs Banker, P.A., Tampa, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: February 25, 2003.

Claimant signed the Uniform Submission Agreement: February 21, 2003.

Statement of Answer filed by Respondent on or about: May 26, 2003.

Respondent did not file an executed Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action against Respondent in the Statement of Claim: violations of industry rules and Florida Statutes, breach of contract, breach of fiduciary duty, common law fraud, negligence and negligent supervision, hiring and retention of employees. The causes of action relate to the purchase in Claimant's account of various unspecified common stocks and mutual funds.

Unless specifically admitted in his Answer, Respondent denied the allegations of wrongdoing contained in the Statement of Claim and asserted various defenses.

**RELIEF REQUESTED**

In her Statement of Claim, Claimant requested compensatory damages of approximately \$500,000.00, pre-judgment interest at the legal rate from the date of purchase, or reasonable market return, rescission, reasonable attorneys' fees (to be determined by a court of competent jurisdiction), punitive damages, the costs of the proceeding and other relief the Panel deemed just and proper.

Respondent requested that Claimant's claims be dismissed and that he be awarded his attorney's fees and costs.

**OTHER ISSUES CONSIDERED AND DECIDED**

Claimant asserted claims against a non-member of NASD whose submission to the jurisdiction of NASD Dispute Resolution was voluntary. The non-member declined to voluntarily submit to the jurisdiction of NASD Dispute Resolution.

Respondent 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 and participated in the settlement thereof, is bound by the determination of the Panel on all issues submitted.

On or about August 12, 2004, the parties filed with NASD Dispute Resolution a notice of settlement and a proposed Stipulated Award for review and approval by the Panel.

The parties agreed that the Stipulated Award controls and determines the resolution of this matter. Each party has agreed to the provisions contained in the Stipulated Award of their own free will and not under duress or coercion of any person or party. The parties have reviewed the Stipulated Award with counsel and fully understand the content and implications contained herein. The parties have agreed that Claimant will be responsible for any state or federal income taxes, if any, resulting from the settlement of this matter.

No other issues were considered or decided by the Panel concerning entry of the Stipulated Award.

The parties have agreed that the award may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered. The parties have further agreed that conformed copies of the award may be transmitted to the parties via facsimile or other means while the original(s) remain on file with NASD Dispute Resolution.

**AWARD**

After considering the pleadings and the parties' request for the entry of a Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant has entered into a settlement agreement with Respondent. All claims against Respondent are dismissed with prejudice.
2. No findings of wrongdoing, omission or liability were made by the Panel. Respondent entered into this Stipulated Award solely to avoid further legal costs and to comply with the wishes of other entities bearing fiscal responsibility.
3. Given Claimant's dismissal of the claims against Respondent, the Panel recommends that all references to the above-captioned arbitration be expunged from Respondent'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 must obtain confirmation from a court of competent

jurisdiction before the CRD will execute the expungement directive. This is consistent with the provisions of NASD Notice to Members 04-16 which states that "[a]ll requests to expunge customer dispute information from the CRD system arising from arbitrations or civil lawsuits filed before April 12, 2004, including any settlements arising therefrom, will continue to be subject to the terms of the moratorium in effect as of January 19, 1999, as discussed in Notice to Members 99-09 (February 1999)." The parties shall execute the necessary documents to have a judgment entered confirming this Stipulated Award by a court of competent jurisdiction.

4. The parties shall bear their own costs, expenses, and attorneys' fees incurred in connection with this proceeding.
5. All other claims in this proceeding brought by any party are denied and dismissed with prejudice.

### **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, Investacorp, Inc. ("AI") is a member firm.

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 adjournment fees were assessed in this matter.

#### **Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session.

No three-day cancellation fees were assessed 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.

No injunctive relief fees were incurred during this proceeding.

**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 the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: October 8, 2003 1 session	
One (1) Pre-hearing session with a single arbitrator @ \$450.00/session	= \$ 450.00
Pre-hearing conference: June 7, 2004 1 session	
<hr/> Total Forum Fees	<hr/> = \$1,575.00

Although the June 7, 2004 pre-hearing conference was not conducted, the Panel assessed the full \$450.00 forum fee to the parties based upon the parties' untimely request for its cancellation.

Pursuant to the agreement of the parties, the Panel has assessed forum fees as follows:  
\$787.50 to Claimant  
\$787.50 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.  
No administrative costs were incurred during this proceeding.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 787.50
Total Fees	= \$1,087.50
Less payments	= \$1,087.50
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

Forum Fees	= \$ 787.50
Total Fees	= \$ 787.50
Less payments	= \$ 250.00
Balance Due NASD Dispute Resolution	= \$ 537.50

AI is solely liable for:

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

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

**ARBITRATION PANEL**

Steven R. Reininger, Esq.	-	Public Arbitrator, Presiding Chairperson
Sandra J. Bakalus	-	Non-Public Arbitrator
Tamra H. Sheffman	-	Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
Steven R. Reininger, Esq.  
Public Arbitrator, Presiding Chairperson

August 25, 2004  
Signature Date

/s/  
Sandra J. Bakalus  
Non-Public Arbitrator

August 27, 2004  
Signature Date

/s/  
Tamra H. Sheffman  
Public Arbitrator

August 23, 2004  
Signature Date

August 27, 2004  
Date of Service (For NASD Dispute Resolution office use only)



AUG-26-04 THU 09:34 AM  
AUG. 23. 2004 5:16PM

NASD REGULATIONS

FAX NO.

NO. 986

P. 6/6

P. 01

NASD Dispute Resolution  
Arbitration No. 03-01470  
Stipulated Award Page 5

AI is solely liable for:

Member Fees	= \$1,200.00
Total Fees	= \$1,200.00
Less payments	= \$ 0.00
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ARBITRATION PANEL

Steven R. Reininger, Esq.  
Sandra J. Bakalus  
Tamra H. Sheffman

-  
-  
-

Public Arbitrator, Presiding Chairperson  
Non-Public Arbitrator  
Public Arbitrator

Concurring Arbitrators' Signatures

  
Steven R. Reininger, Esq.  
Public Arbitrator, Presiding Chairperson

8/25/04  
Signature Date

Sandra J. Bakalus  
Non-Public Arbitrator

Signature Date

Tamra H. Sheffman  
Public Arbitrator

Signature Date

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

AUG. 23. 2004 5:20PM

NASD REGULATIONS

NASD Dispute Resolution  
 Arbitration No. 03-01470  
Stipulated Award Page 1

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Steven R. Reininger, Esq.

Sandra J. Bakalus

Tamra H. Sheffman

Public Arbitrator, Presiding Chairperson

Non-Public Arbitrator

Public Arbitrator

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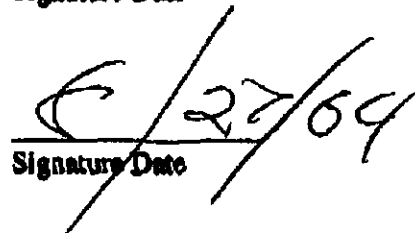
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**NASD Dispute Resolution**  
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**Stipulated Award Page 5**

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Non-Public Arbitrator

Public Arbitrator

**Concurring Arbitrators' Signatures**

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Public Arbitrator, Presiding Chairperson

Signature Date

Sandra J. Bakalus

Non-Public Arbitrator

Signature Date

Tamra H. Sheffman

Public Arbitrator

Signature Date

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