

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Cheryl Jimerson (Claimant) v. InvestPrivate, Inc. and Scott Mathis (Respondents)

Case Number: 03-01515

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Cheryl Jimerson ("Jimerson") hereinafter referred to as "Claimant": Maris A. Godwin, Esq., previously Michael T. Conway, Esq., Lazare Potter Giacomis & Kranjac, LLP, New York, NY.

Respondents InvestPrivate, Inc. ("InvestPrivate") and Scott Mathis ("Mathis") hereinafter collectively referred to as "Respondents": Eric S. Hutner, Esq., Law Offices of Eric S. Hutner & Associates, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 28, 2003.

Reply to Counterclaim filed on or about: May 29, 2003.

Claimant signed the Uniform Submission Agreement: February 25, 2003.

Joint Statement of Answer and Counterclaims filed by Respondent on or about: May 15, 2003.

Respondent InvestPrivate signed the Uniform Submission Agreement: March 10, 2003.

Respondent Mathis signed the Uniform Submission Agreement: May 15, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: fraud; respondeat superior; and rescission – fraudulent inducement.

Unless specifically admitted in their Answer and Counterclaims, Respondents denied the allegations made in the Statement of Claim. In its Counterclaims, Respondent InvestPrivate asserted the following causes of action: breach of promissory note; breach of employment contract; and fraud.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$975,000.00; rescission of the Promissory Notes and Confessions of Judgment; permanent injunction against further enforcement of the Judgments; punitive damages; reasonable attorneys' fees, costs, and disbursements; and such further relief as the arbitrators determine is just, proper, equitable. In her Reply to Counterclaim, Claimant requested that the Panel award judgment against the Respondents on the claims set forth in her Statement of Claim as set forth therein; dismissing the Counterclaims in their entirety; and granting such further relief as the Panel determines is just, proper, and equitable.

Respondents requested that the Statement of Claim be dismissed in its entirety; with respect to Respondent InvestPrivate's Counterclaims, an award of compensatory damages in an amount of \$225,000.00, plus interest, costs, and attorneys' fees; and such other relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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, and 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. Claimant's claims are dismissed in their entirety against both Respondents.
2. Claimant is liable for and shall pay to Respondent InvestPrivate compensatory damages in the amount of \$100,000.00; InvestPrivate is enjoined from collection on the Promissory Notes or enforcing judgments on the Promissory Notes and Confession of Judgment (Supreme Court of the State of New York, County of Suffolk, entered on January 8, 2003, index numbers: 03-1304 for \$112,220.00 and 03-1305 for \$114,222.00).
3. Any and all relief not specifically addressed herein is 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	= \$ 375.00
Counterclaim filing fee	= \$1,000.00

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 persons at the time of the events giving rise to the dispute. Accordingly, InvestPrivate, Inc. is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 7, 2004, adjournment by Claimant	= Waived
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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 Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: November 25, 2003 1 session	

Eight (8) Hearing sessions @ \$1,200.00	= \$ 9,600.00
Hearing Dates:	
March 30, 2004	2 sessions
March 31, 2004	2 sessions
April 1, 2004	2 sessions
June 15, 2004	2 sessions

Total Forum Fees	= \$10,800.00
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1. The Panel has assessed \$5,400.00 of the forum fees against Claimant.
2. The Panel has assessed \$5,400.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	<u>= \$5,400.00</u>
Total Fees	= \$5,775.00
<u>Less payments</u>	<u>= \$1,575.00</u>
Balance Due NASD Dispute Resolution	= \$4,200.00
2. Respondent InvestPrivate is solely liable for:	
Counterclaim Filing Fee	= \$1,000.00
<u>Member Fees</u>	<u>= \$7,000.00</u>
Total Fees	= \$8,000.00
<u>Less payments</u>	<u>= \$8,000.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondents are jointly and severally liable for:	
<u>Forum Fees</u>	<u>= \$5,400.00</u>
Total Fees	= \$5,400.00
<u>Less payments</u>	<u>= \$1,125.00</u>
Balance Due NASD Dispute Resolution	= \$4,275.00

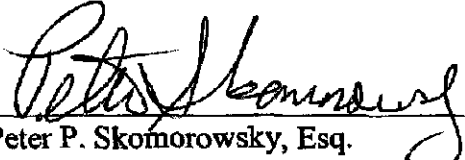
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

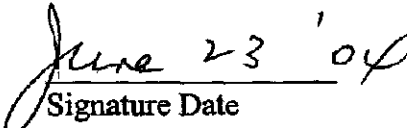
Peter P. Skomorowsky, Esq.	-	Public Arbitrator, Presiding Chairperson
Lilian M. Leong, Esq.	-	Public Arbitrator
Scott L. Fagin	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument in which is my award.



Peter P. Skomorowsky, Esq.
Public Arbitrator, Presiding Chairperson



Signature Date

Lilian M. Leong, Esq.
Public Arbitrator

Signature Date

Scott L. Fagin
Non-Public Arbitrator

Signature Date

July 2, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

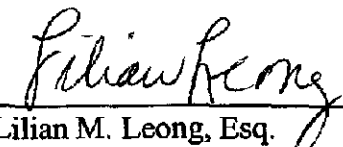
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