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**Stipulated Award**  
**NASD DISPUTE RESOLUTION**

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In the Matter of the Arbitration Between:

Name of the Claimant

The Lana T. Nettles, Individually and as Trustee  
of the Lana T. Nettles Revocable Family Trust

Case Number: 03-01747

Names of the Respondents

Park Avenue Securities, LLC  
John E. Watson

Hearing Site: Orlando, FL

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

**REPRESENTATION OF PARTIES**

For the Lana T. Nettles, Individually and as Trustee of the Lana T. Nettles Revocable Family Trust, hereinafter referred to as "Claimant": Charles P. Pillans, III, Esq., Bedell, Dittmar, DeVault, Pillans & Coxe, Jacksonville, FL and Francis Jerome Shea, Esq., Jacksonville, FL.

For Respondent Park Avenue Securities, LLC ("PAS"): Harold E. Patricoff, Esq. and Sandra M. Upegui, Esq., Shutts & Bowen, LLP, Miami, FL.

For Respondent John E. Watson ("Watson"): Barry A. Postman, Esq. and Scott A. Bassman, Esq., Cole, Scott & Kissane, P.A., Miami, FL.

**CASE INFORMATION**

Statement of Claim filed on or about: March 6, 2003.

Amended Statement of Claim filed on or about: February 12, 2004.

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

Statement of Answer filed by Respondent PAS on or about: March 28, 2003.

Statement of Answer to Amended Statement of Claim filed by Respondent PAS on or about: March 3, 2004.

Statement of Answer filed by Respondent Watson on or about: June 6, 2003.

Statement of Answer to Amended Statement of Claim filed by Respondent Watson on or about: March 3, 2004.

Respondent PAS signed the Uniform Submission Agreement: May 19, 2003.

Respondent Watson signed the Uniform Submission Agreement: July 2, 2003.

Motion to Dismiss ("Motion to Dismiss") filed by Respondent PAS on or about: June 9, 2003.

Memorandum in Opposition to Motion to Dismiss filed by Claimant on or about: November 7, 2003.

Motion for Rehearing on Motion to Dismiss ("Motion for Rehearing") filed by Respondent PAS on or about: December 18, 2003.

Claimant's Response to Motion for Rehearing filed on or about: December 24, 2003.

### **CASE SUMMARY**

Claimant asserted the following causes of action: violation of §517.301 of the Florida Statutes; breach of fiduciary duty; constructive fraud; negligent supervision; and, negligence. The causes of action related to, among other things, the purchase of mutual funds and insurance policies, and the processing of subsequent margin loans.

Respondents PAS and Watson, respectively, denied any liability or wrongdoing in connection with the allegations set forth in the Amended Statement of Claim filed by the Claimant, and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested compensatory damages of approximately \$400,000.00, pre-judgment interest, attorneys' fees, and all costs associated with the claims.

Respondents requested that the undersigned arbitrators (the "Panel") make a specific finding that there was no misconduct by the Respondents, dismiss all claims and allegations against the Respondents, require the Claimant to bear all costs and attorneys' fees incurred by the Respondents in defending Claimant's meritless claim, and expungement of all references to this arbitration from Respondent Watson's NASD Central Registration Depository ("CRD") records.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On or about December 1, 2003, the Panel issued an order which denied Respondent PAS' Motion to Dismiss.

On or about January 8, 2004, the Panel issued an order which denied Respondent PAS' Motion for Rehearing.

During the February 11, 2004 pre-hearing conference, Claimant made an ore tenus Motion to Amend her Statement of Claim.

On or about February 11, 2004, the Panel issued an order which granted Claimant's ore tenus Motion to Amend.

In April 2004, the Claimant advised NASD Dispute Resolution that she had amicably resolved this matter with the Respondents.

On or about May 7, 2004, the parties filed an Agreed Motion Requesting a Stipulated Award of Expungement in which the parties requested the entry of a proposed Stipulated Award ("proposed Stipulated Award") recommending expungement of all references to this arbitration from Respondent Watson's NASD CRD records.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a

handwritten, signed Stipulated Award may be entered.

### **AWARD**

After considering the pleadings and the proposed Stipulated Award, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All of Claimant's claims for relief, including claims under Chapter 517 of the Florida Statutes, are dismissed, with prejudice.
2. Any and all claims for relief not specifically addressed herein, including Claimant's request for attorneys' fees and costs, are denied.
3. The Panel recommends the expungement of all references to the above-captioned arbitration from Respondent Watson's public and non-public registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Watson must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (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
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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, Respondent PAS is a member firm and a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$7,000.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

March 8-11, 2004, adjournment by the parties.	= \$1,200.00
May 17-21, 2004, adjournment by the parties.	= \$1,500.00

#### **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 assessed during these proceedings.

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

Two (2) Pre-hearing sessions with the Panel @ \$1,125.00	= \$2,250.00
Pre-hearing conferences: October 17, 2003	1 session
February 11, 2004	1 session

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Total Forum Fees	= \$2,700.00
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The Panel has assessed \$1,350.00 of the forum fees to Claimant.

The Panel has assessed \$1,350.00 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 are 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	= \$ 375.00
Adjournment Fee	= \$ 1,350.00
<u>Forum Fees</u>	<u>= \$ 1,350.00</u>
Total Fees	= \$ 3,075.00
<u>Less payments</u>	<u>= \$ 1,575.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,500.00

Respondent PAS is solely liable for:

<u>Member Fees</u>	<u>= \$ 7,000.00</u>
Total Fees	= \$ 7,000.00
<u>Less Payments</u>	<u>= \$ 7,000.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents PAS and Watson are jointly and severally liable for:

Adjournment Fee	= \$ 1,350.00
Forum Fees	= \$ 1,350.00
Total Fees	= \$ 2,700.00
Less Payments	= \$ 2,500.00
Balance Due NASD Dispute Resolution	= \$ 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**

Maurice M. Feller, Esq.	-	Public Arbitrator, Presiding Chairperson
Charles Tindell, Esq.	-	Public Arbitrator
Worth T. Blackwell, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
Maurice M. Feller, Esq.  
Public Arbitrator, Presiding Chairperson

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

/s/  
Charles Tindell, Esq.  
Public Arbitrator

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

/s/  
Worth T. Blackwell, Esq.  
Non-Public Arbitrator

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

June 4, 2004  
Date of Service (For NASD Dispute Resolution office use only)

MAY. 27. 2004 12:44PM

NASD BOCA RATON

NO. 865 P. 6

**NASD Dispute Resolution**  
**Arbitration No. 03-01747**  
**Stipulated Award Page 5 of 5**

Respondents PAS and Watson are jointly and severally liable for:

Adjournment Fee	= \$ 1,350.00
Forum Fees	= \$ 1,350.00
Total Fees	= \$ 2,700.00
Less Payments	= \$ 2,500.00
Balance Due NASD Dispute Resolution	= \$ 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**

Maurice M. Feller, Esq.	-	Public Arbitrator, Presiding Chairperson
Charles Tindell, Esq.	-	Public Arbitrator
Worth T. Blackwell, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**



Maurice M. Feller, Esq.  
Public Arbitrator, Presiding Chairperson

5-27-04  
Signature Date

Charles Tindell, Esq.  
Public Arbitrator

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

Worth T. Blackwell, Esq.  
Non-Public Arbitrator

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

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

**NASD Dispute Resolution****Arbitration No. 03-01747****Stipulated Award Page 5 of 5****Respondents P&S and Watson are jointly and severally liable for:**

<b>Adjournment Fee</b>	<b>= \$ 1,350.00</b>
<b>Forum Fees</b>	<b>= \$ 1,350.00</b>
<b>Total Fees</b>	<b>= \$ 2,700.00</b>
<b>Less Payments</b>	<b>= \$ 2,500.00</b>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 200.00</b>

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

**ARBITRATION PANEL**

<b>Maurice M. Feller, Esq.</b>	-	<b>Public Arbitrator, Presiding Chairperson</b>
<b>Charles Tindell, Esq.</b>	-	<b>Public Arbitrator</b>
<b>Worth T. Blackwell, Esq.</b>	-	<b>Non-Public Arbitrator</b>

**Concurring Arbitrators' Signatures**

**Maurice M. Feller, Esq.**  
**Public Arbitrator, Presiding Chairperson**

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

  
**Charles Tindell, Esq.**  
**Public Arbitrator**

5-27-04  
**Signature Date**

**Worth T. Blackwell, Esq.**  
**Non-Public Arbitrator**

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

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

MAY. 27. 2004 12:49PM

NASD BOCA RATON

NO. 865 P. 6

**NASD Dispute Resolution****Arbitration No. 03-01747****Stipulated Award Page 5 of 5****Respondents PAS and Watson are jointly and severally liable for:**

Adjournment Fee	= \$ 1,350.00
Forum Fees	= \$ 1,350.00
Total Fees	= \$ 2,700.00
Less Payments	= \$ 2,500.00
Balance Due NASD Dispute Resolution	= \$ 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****Maurice M. Feller, Esq.**

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**Public Arbitrator, Presiding Chairperson****Charles Tindell, Esq.**

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**Public Arbitrator****Worth T. Blackwell, Esq.**

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**Non-Public Arbitrator****Concurring Arbitrators' Signatures****Maurice M. Feller, Esq.****Public Arbitrator, Presiding Chairperson****Signature Date****Charles Tindell, Esq.****Public Arbitrator****Signature Date****Worth T. Blackwell, Esq.****Non-Public Arbitrator****Signature Date****Date of Service (For NASD Dispute Resolution office use only)**