

---

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

---

In the Matter of the Arbitration Between:

Name of the Claimant  
Mary Nehrig

Case Number: 03-01806

Names of the Respondents  
Roan-Meyers Associates, L.P.  
Bruce Meyers  
Peter Chung

Hearing Site: Atlanta, Georgia

---

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

**REPRESENTATION OF PARTIES**

For Mary Nehrig, hereinafter referred to as "Claimant": Jason L. Nohr, Esq., Huddleston & Nohr, Marietta, Georgia.

For Roan-Meyers Associates, L.P. ("RMA"), Bruce Meyers ("Meyers"), and Peter Chung ("Chung"), hereinafter collectively referred to as "Respondents": David A. Schrader, Esq., Schrader & Schoenberg, LLP, New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: March 11, 2003.  
Claimant signed the Uniform Submission Agreement: March 10, 2003.  
Statement of Answer filed by Respondents on or about: May 13, 2003.  
Respondent Meyers signed the Uniform Submission Agreement: July 1, 2003.  
Respondent Chung signed the Uniform Submission Agreement: August 1, 2003.  
Respondent RMA signed the Uniform Submission Agreement: August 11, 2003.

**CASE SUMMARY**

Claimant presented claims of unsuitability, churning, over-concentration, market manipulation, and failure to supervise. Claimant alleged in her Statement of Claim that Respondents traded her savings in volatile, micro-cap securities that were unsuitable in light of her age, disability, and financial needs, and that Respondents RMA and Meyers failed to supervise Respondent Chung despite a history of customer complaints.

Respondents denied Claimant's claims and further replied that Claimant approved or ratified all trades made in her account, was fully advised by Respondents of the risks of her investments in the stock market, and that her losses were caused by a broad and significant market downturn in the stock market beginning shortly after she opened her account.

### **RELIEF REQUESTED**

Claimant requested compensatory damages of \$58,747.00 in losses and \$10,301.00 in commissions, as well as punitive damages, interest, attorneys' fees and costs.

Respondents requested dismissal of all charges made against them.

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

Claimant filed various motions to compel Respondents to produce documents in discovery. The Panel entered various Orders requiring the production of documents in discovery, and imposed sanctions against Respondents for non-production.

On May 24, 2004, the first day of the scheduled hearing in this matter, the representatives for the parties in this matter provided an executed settlement agreement ("Settlement Agreement") to the Panel, which was read into the record and executed by the Panel. The terms of the Settlement Agreement have been incorporated into this Stipulated Award.

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 Settlement Agreement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties agree and stipulate that Respondent Meyers be dismissed as a Respondent, without prejudice, and to renew all claims against Respondent Meyers if the terms of the Settlement Agreement and Stipulated Award are not fulfilled. Upon full payment of the entire amount of this Stipulated Award to Claimant, Respondent Meyers will be dismissed from this matter with prejudice.
2. Without admitting or denying liability to Claimant, Respondents RMA and Chung agree to be jointly and severally liable and shall pay to Claimant the total amount in damages of \$185,000 (this includes any discovery sanction previously awarded by the Panel). That amount shall be payable as follows pursuant to the following deadlines: Deadline one: \$135,000 shall be payable no later than fifteen (15) days from May 24, 2004. Deadline two: the remaining balance of the award to Claimant (\$50,000) shall be payable no later than sixty (60) days from May 24, 2004.
3. Interest: Respondents RMA and Chung shall pay interest at the rate of 7% per annum on any amount of the first installment not timely paid. With regard to the second installment of the settlement payment (the \$50,000), such sum shall accrue interest at the rate of 7% from May 24, 2004 until paid (which payment as reflected above is due on or before July 23, 2004). Thus, by way of example, in the event that this settlement installment is paid on July 23, 2004, it will have accrued interest in the additional amount of \$575.34.
4. Respondents RMA's, Chung's and Meyers' joint and several obligation to pay the total settlement

amount to Claimant within the time specified shall be enforceable pursuant to Rule 10330(h) of the Code, and each and every Respondent in this proceeding shall be subject to suspension proceedings should these amounts not be paid to Claimant in strict accordance with the dates and terms specified in the foregoing paragraph.

5. Although the Stipulated Award is not entered against Respondent Meyers individually, as an express condition of settlement, Respondent Meyers agrees to personally guarantee Respondent RMA's obligation to Claimant under this Stipulated Award, and Respondent Meyers agrees with and is personally bound by the terms of the Settlement Agreement and Stipulated Award.

6. Claimant will not be responsible for any past or future forum fees in this matter. Respondents RMA and Chung further agree that all forum fees will be equally apportioned between them and that they will have sole responsibility to pay such forum fees.

7. Notwithstanding any other provision of this Settlement Agreement and Stipulated Award, Respondents Meyers, Chung and RMA all agree to voluntarily submit to the jurisdiction of the State Court of Cobb County for any action Claimant deems necessary to pursue any unpaid amount pursuant to this Stipulated Award. Respondents further agree that they will not seek to contest personal jurisdiction over them in any such action. Respondents further agree that they will not attempt to remove any such action to collect any unpaid amount of this Stipulated Award to federal court.

8. As part of the Stipulated Award, since Respondent RMA has agreed to be jointly responsible with Respondent Chung for the settlement sum, and in order to induce Respondent RMA to enter into this Settlement Agreement, Respondent Chung personally agrees to pay \$175,000 to Respondent RMA upon terms and conditions that are embodied in a settlement letter directly between them. Respondent Chung acknowledges that he has negotiated this provision directly with Respondent RMA; has had independent counsel (other than David Schrader, Esq.) in connection with determining to enter into this agreement or has had the opportunity to obtain separate and independent counsel but has waived such right.

9. Claimant and Respondents privately exchange mutual releases.

### 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
--------------------------	-------------

#### Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent RMA is a member firm and a party.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$1,700.00</u>

Total Member Fees = \$3,550.00

**Adjournment Fees**

No adjournments 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.

Injunctive relief fees were not assessed in this matter.

**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:

Four (4) Pre-hearing sessions with the Panel @ \$750.00/session = \$3,000.00

Pre-hearing conferences:	September 17, 2003	1 session
	April 13, 2004	1 session
	April 15, 2004	1 session
	May 18, 2004	1 session

One (1) Pre-hearing session with a single arbitrator @ \$450.00/session = \$ 450.00

Pre-hearing conference:	November 24, 2003	1 session
-------------------------	-------------------	-----------

One (1) Hearing session @ \$750/session = \$ 750.00

Hearing Date:	May 24, 2004	1 session
---------------	--------------	-----------

---

Total Forum Fees = \$4,200.00

Pursuant to the agreement of the parties, the Panel has assessed the forum fees as follows:

\$2,100.00 to Respondent RMA; and  
\$2,100.00 to Respondent Chung.

**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.

There were no administrative costs incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 225.00
Total Fees	= \$ 225.00
<u>Less Payments</u>	= \$ 225.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent RMA is solely liable for:

Member Fees	= \$3,550.00
<u>Forum Fees</u>	= \$2,100.00
Total Fees	= \$5,650.00
<u>Less Payments</u>	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$2,100.00

Respondent Chung is solely liable for:

<u>Forum Fees</u>	= \$2,100.00
Total Fees	= \$2,100.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$2,100.00

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

**ARBITRATION PANEL**

Frank A. Lightmas, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
David D. Brown, Esq.	-	Public Arbitrator
Perry Lee Taylor, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
Frank A. Lightmas, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

June 16, 2004  
Signature Date

/s/  
David D. Brown, Esq.  
Public Arbitrator

June 16, 2004  
Signature Date

/s/

Perry Lee Taylor, Esq.  
Non-Public Arbitrator

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

June 17, 2004

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

JUN. 16. 2004 4:36PM

NASD REGULATIONS

NASD Dispute Resolution  
 Arbitration No. 03-01806  
Stipulated Award Page 5

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 225.00
Total Fees	= \$ 225.00
<u>Less Payments</u>	= \$ 225.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent RMA is solely liable for:

Member Fees	= \$3,550.00
Forum Fees	= \$2,100.00
Total Fees	= \$5,650.00
<u>Less Payments</u>	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$2,100.00

Respondent Chung is solely liable for:

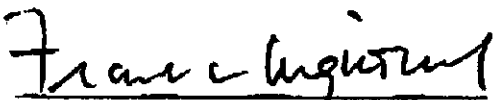
Forum Fees	= \$2,100.00
Total Fees	= \$2,100.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$2,100.00

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

ARBITRATION PANEL

Frank A. Lightmas, Jr., Esq.  
 David D. Brown, Esq.  
 Perry Lee Taylor, Esq.

- Public Arbitrator, Presiding Chairperson  
 - Public Arbitrator  
 - Non-Public Arbitrator

Concurring Arbitrators' Signatures


Frank A. Lightmas, Jr., Esq.  
 Public Arbitrator, Presiding Chairperson



Signature Date

David D. Brown, Esq.  
 Public Arbitrator

Signature Date

**NASD Dispute Resolution**  
**Arbitration No. 03-01806**  
**Stipulated Award Page 5**

**Fee Summary**

**Claimant is solely liable for:**

Initial Filing Fee	= \$ 225.00
Total Fees	= \$ 225.00
<u>Less Payments</u>	= \$ 225.00
Balance Due NASD Dispute Resolution	= \$ 0.00

**Respondent RMA is solely liable for:**

Member Fees	= \$3,550.00
Forum Fees	= \$2,100.00
Total Fees	= \$5,650.00
<u>Less Payments</u>	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$2,100.00

**Respondent Chung is solely liable for:**

Forum Fees	= \$2,100.00
Total Fees	= \$2,100.00
<u>Less Payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$2,100.00


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

**ARBITRATION PANEL**

Frank A. Lightmas, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
David D. Brown, Esq.	-	Public Arbitrator
Perry Lee Taylor, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Frank A. Lightmas, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

  
\_\_\_\_\_  
David D. Brown, Esq.  
Public Arbitrator

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

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



JUN. 16. 2004 4:35PM

NASD REGULATIONS

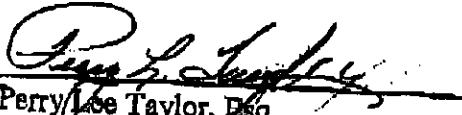
NO. 656

P. 7/7

NASD Dispute Resolution

Arbitration No. 03-01806

Stipulated Award Page 6



Perry Lee Taylor, Esq.

Non-Public Arbitrator

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

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