

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Ronald J. Panarelli

Case Number: 03-02669

Name of the Respondent
Fahnestock & Co., Inc.

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Ronald J. Panarelli, hereinafter referred to as "Claimant": Robert H. McKnight, Esq., Freed & Berman, P.C., Atlanta, Georgia.

For Fahnestock & Co., Inc. ("Fahnestock"), hereinafter referred to as "Respondent": Cory M. Sobel, Office of the General Counsel, Fahnestock & Co., Inc., New York, New York.

CASE INFORMATION

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

Claimant's Response to Respondent's Motion to Dismiss filed on or about: July 24, 2003.

Claimant signed the Uniform Submission Agreement: March 27, 2003.

Statement of Answer and Motion to Dismiss filed by Respondent on or about: June 24, 2003.

Respondent did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: misrepresentation and omission of material facts; violation of NASD Conduct Rules; violations of O.C.G.A. Sections 10-5-12(a)(2); fraudulent and unlawful activities; failure to follow Claimant's instructions; bad faith and stubborn litigiousness; failure to supervise; respondeat superior; breach of duty, including breach of fiduciary duty; negligence; fraud and deceit; and, violations of Section 15(c)(1) of the Exchange Act, Title 15 U.S.C. Section 78(o)(c)(1) and Rules 15c1-2 and 15c1-7, promulgated by the Securities and Exchange Commission. The causes of action relate to the trading of unspecified shares of stock in Claimant's account.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In addition, in its Motion to Dismiss, Respondent asserted that Claimant's Statement of Claim fails to allege any facts and fails to state a claim with the requisite particularity.

In his response to Respondent's Motion to Dismiss, Claimant denied the assertions therein.

RELIEF REQUESTED

Claimant requested an award in the sum of at least \$10,502.21, punitive damages of \$30,000.00, interest at the legal rate from at least February 15, 2002, on the amount of \$10,502.21, the costs of this litigation and the investigation in which Respondent's activities have involved Claimant, including reasonable attorneys' fees, and such other and further relief in favor of Claimant as the Arbitrator deemed just and proper.

Respondent requested that the Statement of Claim in all respects be dismissed with prejudice, and attorneys' fees and disbursements be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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, appeared and testified at the hearing, is bound by the determination of the Arbitrator on all issues submitted.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrator (the "Arbitrator") has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimant the sum of \$10,502.21 plus interest at the rate of 7% per annum from February 2, 2002 until the date of payment of the Award.

Respondent is liable and shall pay to Claimant the sum of \$175.00 representing reimbursement of the claim filing fee previously paid by Claimant to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages, are 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	= \$175.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$875.00
Pre-hearing process fee	= \$750.00
Hearing process fee	= \$1,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment 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 in this matter.

Forum Fees and Assessments

The Arbitrator 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:

Two Pre-hearing sessions with a single arbitrator @ \$450.00	= \$900.00
Pre-hearing conferences: September 22, 2003 1 session	
November 26, 2003 1 session	

Two Hearing sessions @ \$450.00	= \$900.00
Hearing Dates: January 5, 2004 2 sessions	

Total Forum Fees	= \$1,800.00
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The Panel has assessed the total forum fees of \$1,800.00 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 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 in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$175.00
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Total Fees	= \$175.00
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Less payments	= \$175.00
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Balance Due NASD Dispute Resolution	= \$0.00
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Respondent is solely liable for:

Member Fees	= \$2,625.00
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Forum Fees	= \$1,800.00
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Total Fees	= \$4,425.00
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Less payments	= \$2,625.00
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Balance Due NASD Dispute Resolution	= \$1,800.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR'S SIGNATURE

Christopher J. Moran, Jr., Esq.

Public Arbitrator, Presiding Chair

Arbitrator's Signature

/S/

Christopher J. Moran, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

January 26, 2004

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

Balance Due NASD Dispute Resolution	= \$0.00
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Respondent is solely liable for:

Member Fees	= \$2,625.00
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Forum Fees	= \$1,800.00
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Total Fees	= \$4,425.00
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Less payments	= \$2,625.00
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Balance Due NASD Dispute Resolution	= \$1,800.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR'S SIGNATURE

Christopher J. Moran, Jr., Esq.

Public Arbitrator, Presiding Chair

Arbitrator's Signature

Christopher J. Moran, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

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