

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Josephine Call and Gary Call (Claimants) v. John Coscia, Dieter Huber, Royal Alliance Associates, Inc., Prime Capital Services, Inc., Coleman & Co. Securities, R.D. White & Co., Inc. and First Montauk Securities Corp. v. Gary Call (Third-Party Respondent)

Case Number: 03-03221

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Members and Associated Persons.

REPRESENTATION OF PARTIES

Claimants Josephine Call ("J. Call") and Gary Call ("G. Call") hereinafter collectively referred to as "Claimants": Elizabeth Wallace, Brooklyn Law School, Brooklyn, NY.

Third-Party Respondent Gary Call ("G. Call") hereinafter referred to as "Third-Party Respondent": Emily Abrahams, Lincoln Square Legal Services, Inc., New York, NY.

Respondent John Coscia ("Coscia"): Michael Schwartzberg, Esq., Winget, Spadafora & Schwartzberg, LLP, New York, NY.

Respondent Royal Alliance Associates, Inc. ("Royal Alliance"): Patricia E. O'Brien, Esq., Luboja & Thau, LLP, New York, NY.

Respondent Dieter Huber ("Huber") appeared *pro se*.

Respondent Prime Capital Services, Inc. ("Prime"): Matthew J. Greenberg, Esq., previously Fred N. Knopf, Esq., Wilson, Elser, Moskowitz, Edelman & Dicker, LLP, White Plains, NY.

Respondent First Montauk Securities Corp. ("First Montauk"): Paul A. Lieberman, Esq., previously Joel Levinson, Esq., First Montauk Securities Corp., Red Bank, NJ.

Respondent Coleman & Co. Securities ("Coleman") did not enter an appearance in this matter.

Respondent R.D. White & Co., Inc. ("R.D. White") did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: April 29, 2003.

Claimant J. Call signed the Uniform Submission Agreement: April 25, 2003.

Claimant/Third-Party Respondent signed the Uniform Submission Agreement: August 16, 2003.

Statement of Answer filed by Third-Party Respondent G. Call on or about: February 12, 2004.

Statement of Answer and Third-Party Claim filed by Respondent Coscia on or about: December 29, 2003.

Respondent Coscia signed the Uniform Submission Agreement: December 29, 2003.

Statement of Answer filed by Respondent Royal Alliance on or about: November 26, 2003.

Respondent Royal Alliance signed the Uniform Submission Agreement: September 24, 2003.

Statement of Answer filed by Respondent Prime on or about: November 7, 2003.

Respondent Prime signed the Uniform Submission Agreement: November 6, 2003.

Statement of Answer and Third-Party Claim filed by Respondent First Montauk and Huber on or about: November 10, 2003.

Respondent First Montauk did not sign the Uniform Submission Agreement.

Respondent Huber did not sign the Uniform Submission Agreement.

Respondent Coleman did not file a Statement of Answer or sign the Uniform Submission Agreement.

Respondent R.D. White did not file a Statement of Answer or sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitable investments; churning' misconduct; and improper and inadequate supervision. The causes of action relate to various common stocks including, but not limited to, Worldcom, Appnet, Sagent Technology, Take Two Interactive, Yahoo, Dell, Global Crossing, E-bay, Exodus, and Cisco.

Unless specifically admitted in his Answer to the Third-Party Claim, Third-Party Respondent G. Call denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Respondent Coscia denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In his Third-Party Claim, Coscia asserted the following cause of action: indemnification.

Unless specifically admitted in its Answer, Respondent Royal Alliance denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Respondent Prime denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Respondents First Montauk and Huber denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In their Third-Party Claim against G. Call, First Montauk and Huber asserted the following cause of action: indemnification.

RELIEF REQUESTED

Claimants requested compensatory damages of approximately \$450,000.00; interest from April 1998 until paid; costs; punitive damages; and any other relief the arbitrators deem just and proper.

Third-Party Respondent G. Call requested that all third-party claims be dismissed.

Respondent Coscia requested that the Panel dismiss the Statement of Claim; grant the third-party claim for indemnification; expunge this claim from his CRD record; that the forum fees be paid by Claimants or Third-Party Respondent; and such other and further relief as the Panel deems just and appropriate.

Respondent Royal Alliance requested that the Panel dismiss the Statement of Claim in its entirety and costs.

Respondent Prime requested that Claimants' claims be dismissed in their entirety; attorneys' fees and costs; and that all costs of this proceeding be assessed against the Claimants.

Respondent First Montauk and Huber requested that Claimants' claims be dismissed; and if they are found liable, then G. Call should be found liable.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent Coleman has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent R.D. White was not properly served with the Statement of Claim and did not receive due notice of the hearing.

Respondents Huber and First Montauk did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

Respondent Royal Alliance filed a Motion for Summary Judgment and/or to Dismiss. After due consideration, the Panel determined to grant the motion. Therefore, the case is dismissed against Respondent Royal Alliance.

Prior to the hearing, Claimants settled their claims against Respondents Huber, Coleman, and First Montauk. The only remaining Respondents in this matter are Coscia and Prime.

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. Claimants' claims are denied in their entirety.
2. Coscia's third party claim is denied in its entirety.
3. Respondent Coscia's request for expungement is denied.
4. Any and all relief not specifically addressed herein, including punitive damages, 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	= \$ 300.00
First Montauk and Huber's Third-Party claim filing fee	= \$1,000.00
Coscia's Third-Party claim filing fee	= \$ 300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Royal Alliance Associates, Inc., Prime Capital Services, Inc., and First Montauk Securities Corp. are parties.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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 @ \$1,125.00	= \$1,125.00
Pre-hearing conferences: September 14, 2004 1 session	
Four (4) Hearing sessions @ \$1,125.00	= \$4,500.00
Hearing Dates: April 15, 2005 2 sessions	
May 31, 2005 2 sessions	
Total Forum Fees	= \$5,625.00

1. The Panel has assessed \$5,625.00 of the forum fees against Claimants.

Fee Summary

1. Claimants are jointly and severally liable for:

Filing Fee	= \$ 300.00
Costs	= \$ 120.00
<u>Forum Fees</u>	= \$5,625.00
Total Fees	= \$6,045.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$6,045.00

2. Respondent Coscia is solely liable for:

<u>Third-Party Filing Fee</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 300.00

3. Respondent Royal Alliance is solely liable for:

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

4. Respondent Prime is solely liable for:

Member Fees	= \$5,200.00
Costs	= \$ 120.00
Total Fees	= \$5,320.00
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 120.00

5. Respondent First Montauk is solely liable for:

Third-Party Claim Filing Fee	= \$1,000.00
<u>Member Fees</u>	= \$5,200.00

Total Fees	= \$6,200.00
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$1,000.00.

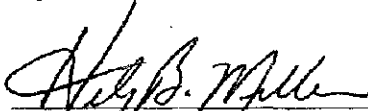
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Hilary B. Miller, Esq.	-	Public Arbitrator, Presiding Chairperson
James W. Geiger	-	Public Arbitrator
James J. Noone	-	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 which is my award.



Hilary B. Miller, Esq.
Public Arbitrator, Presiding Chairperson

7/29/05

Signature Date

James W. Geiger
Public Arbitrator

Signature Date

James J. Noone
Non-Public Arbitrator

Signature Date

August 3, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

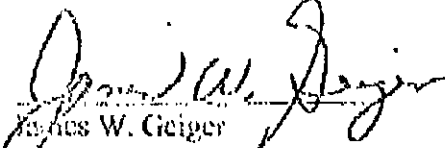
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Hilary B. Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


James W. Geiger
Public Arbitrator


Signature Date

James J. Noone
Non-Public Arbitrator

Signature Date


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Hilary B. Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

James W. Geiger
Public Arbitrator

Signature Date



James J. Noone
Non-Public Arbitrator

Signature Date



Date of Service (For NASD Dispute Resolution use only)