

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Peter A. Tufts, Jr. (Claimant) v. Liberty Funds Distributor, Inc. (Respondent)

Case Number: 03-03222

Hearing Site: Boston, Massachusetts

Nature of the Dispute: Associated Person v. Member.

REPRESENTATION OF PARTIES

Claimant Peter A. Tufts, Jr. ("Tufts") hereinafter referred to as "Claimant": William A. Jacobson, Esq., Law Offices of William A. Jacobson, Inc., Providence, RI.

Respondent Liberty Funds Distributor, Inc. ("Liberty") hereinafter referred to as "Respondent": George P. Kostakos, Esq., Edwards & Angell, LLP, Providence, RI.

CASE INFORMATION

Statement of Claim filed on or about: April 30, 2003.

Amended Statement of Claim filed on or about: July 31, 2003.

Claimant signed the Uniform Submission Agreement: April 29, 2003.

Statement of Answer filed by Respondent on or about: July 23, 2003.

Statement of Answer to Claimant's Amended Statement of Claim filed on or about: August 7, 2003.

Respondent signed the Uniform Submission Agreement: July 23, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: filing of false and misleading information of his Form U-5 and defamation. In the Amended Statement of Claim, Claimant asserted the following causes of action: filing of false and misleading information of his Form U-5; defamation; and failure to pay wages.

Unless specifically admitted in its Answer and Answer to Claimant's Amended Statement of Claim, Respondent denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim and Amended Statement of Claim, Claimant requested compensatory

damages in an amount in excess of \$25,000.00, together with interest, costs, attorneys' fees, and punitive damages in excess of \$20,000.00, and that the Arbitrator further order NASD to expunge the Form U-5 entry made by Respondent, and enter Claimant's termination as "voluntary" without any "explanation", and order Respondent to correct its records of Claimant's employment to reflect this corrected explanation.

Respondent requested dismissal of all claims.

OTHER ISSUES CONSIDERED AND DECIDED

On or about April 15, 2004, counsel for Claimant notified NASD Dispute Resolution ("NASD DR") that the parties resolved this matter prior to hearing, and requested the entry of a Stipulated Award.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. The Arbitrator recommends that CRD expunge that portion of Claimant's U-5 submitted by Liberty Funds Distributor, Inc., which states the reason for termination was "discharged". The Panel orders CRD to replace the original reason for termination with "voluntary" and shall further expunge the "explanation" previously made on the Form U-5 for the termination, all other entries on the Form U-5 to remain the same. Respondent will make such changes on its record of employment of Claimant consistent with this relief.

The Arbitrator makes this order of expungement with the finding that the Form U-5 entry in question does not arise out of or relate to "customer dispute information".

2. All other requests for relief by Claimant and Respondent in their respective pleadings are dismissed and/or denied.
3. The parties shall bear their respective costs and attorneys' fees, and shall divide all forum fees equally as between Claimant (50%) and Respondent (50%).

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. 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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, Liberty Funds Distributor, Inc. is a party.

Member Surcharge	= \$ 875.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,625.00

Forum Fees and Assessments

The Arbitrator assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Forum fees associated with these proceedings are:

One (1) Pre-hearing conference session with the sole arbitrator @ \$450.00/session = \$450.00

<u>Pre-hearing conference:</u>	<u>December 15, 2003 1 session</u>	
Total Forum Fees		= \$450.00

1. The Arbitrator has assessed \$225.00 of the forum fees against Claimant.
2. The Arbitrator has assessed \$225.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 225.00
Total Fees	= \$ 400.00
<u>Less payments</u>	<u>= \$ 625.00</u>
Refund Due Claimant	= \$ 225.00

2. Respondent is solely liable for:

Member Fees	= \$2,625.00
Forum Fees	= \$ 225.00
Total Fees	= \$2,850.00
Less payments	= \$2,625.00
Balance Due NASD Dispute Resolution	= \$ 225.00

All balances are due and payable to NASD Dispute Resolution

Parties' Signatures

Peter A. Tufts, Jr.
Claimant

Signature Date

Liberty Funds Distributor, Inc.
Respondent

Signature Date

NASD Dispute Resolution
Arbitration No. 03-03222
Award Page 5 of 6

ARBITRATOR

Robert Volk, Esq.

Public Arbitrator, Presiding Chairperson

Arbitrator's Signature



Robert Volk, Esq.
Public Arbitrator, Presiding Chairperson

6/18/04
Signature Date

June 29, 2004
Date of Service (For NASD office use only)