

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Richard L. Patton

Case Number: 03-03308

Name of the Respondents
Newbridge Securities Corporation
Michael Christopher Smith

Hearing Site: Raleigh, NC

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

REPRESENTATION OF PARTIES

Claimant, Richard L. Patton, hereinafter referred to as "Claimant", represented himself at the hearing.

Respondent, Newbridge Securities Corporation ("Newbridge"), was represented by Gregg J. Breitbart, Esq., Newbridge Securities Corporation, Ft. Lauderdale, Florida.

Respondent, Michael Christopher Smith ("Smith"), represented himself at the hearing.

CASE INFORMATION

Statement of Claim filed on May 6, 2003.

Claimant signed the Uniform Submission Agreement on March 20, 2003.

Statement of Answer filed by Respondent Newbridge on July 18, 2003.

A representative of Respondent Newbridge signed the Uniform Submission Agreement on July 18, 2003.

Respondent Smith did not file a Statement of Answer nor a Uniform Submission Agreement with NASD Dispute Resolution.

CASE SUMMARY

Claimant asserted the following causes of action, among others: failure to supervise, negligence, breach of fiduciary duty, churning, manipulations, unauthorized trading, misrepresentations, and omission of facts. The causes of action relate to the purchase and sale of Quest Communications common stock, AESP common stock, Riverstone common stock, Nextel common stock and RETEK, Inc. common stock.

Unless specifically admitted in its Answer, Respondent Newbridge denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted, assumption of the risk, authorization, ratification, Claimant's claims are barred by the doctrines of estoppel and waiver, contributory negligence, and failure to mitigate damages.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$13,009.00 and punitive damages in the amount of \$ 5,000.00. In addition, Claimant requested the injunctive relief against Respondent Smith.

Respondent Newbridge requested that the Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On November 25, 2003, Claimant dismissed his claims against Respondent Newbridge with prejudice.

At the hearing on the merits, Claimant made an oral motion to reduce the amount of compensatory damages from \$13,009.00 to \$9,309.00, which the Arbitration Panel (the "Panel") granted.

The parties 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, 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. Respondent Smith is liable to and shall pay to Claimant the sum of \$3,000.00 in compensatory damages;
2. Respondent Smith is liable to and shall pay to Claimant the sum of \$62.50 in partial reimbursement for the initial-claim filing fee.
3. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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 = \$ 125.00

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 Newbridge is a party.

Member surcharge = \$ 425.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), 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 conferences: December 10, 2003 1 session

One (1) Hearing sessions @ \$ 450.00 = \$ 450.00

Hearing Date: February 6, 2003 1 session

Total Forum Fees = \$ 900.00

1. The Panel has assessed \$ 450.00 of the forum fees to Claimant.

2. The Panel has assessed \$ 450.00 of the forum fees to Respondent Smith.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee = \$ 125.00

Forum Fees = \$ 450.00

Total Fees = \$ 575.00

Less payments = \$ 575.00

Balance Due NASD Dispute Resolution = \$ 0.00

2. Respondent Newbridge is assessed and shall pay:

Member Fees = \$ 425.00

Total Fees	= \$ 425.00
<u>Less payments</u>	<u>= \$ 425.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Smith is assessed and shall pay:

<u>Forum Fees</u>	<u>= \$ 450.00</u>
Total Fees	= \$ 450.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 450.00

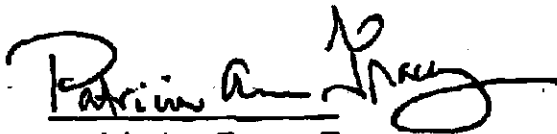
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR

Patricia Ann Tracey, Esq.

- Public Arbitrator, Presiding Arbitrator

Arbitrator's Signature



Patricia Ann Tracey, Esq.
Public Arbitrator, Presiding Arbitrator

2/18/04
Signature Date

February 18, 2004
Date of Service (For NASD Dispute Resolution office use only)