

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Michael O. and Donna J. Lareau

and

Case Number: 03-03524
Hearing Site: Troy, Michigan

Names of Respondents

LaFleur & Godfrey, Inc. and
Richard J. Godfrey

NATURE OF DISPUTE

Customers v. Non-Member and Associated Person

REPRESENTATION OF PARTIES

Michael O. and Donna J. Lareau ("Claimants") were represented by D. Michael Kratchman, Esq., Southfield, Michigan.

LaFleur & Godfrey, Inc. ("LGI") and Richard J. Godfrey ("Godfrey"), hereinafter referred to as "Respondents," were represented by Brian J. Masternak, Esq., Warner Norcross & Judd, LLP, Grand Rapids, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about May 12, 2003. The Submission Agreement of Claimants Michael O. and Donna J. Lareau was signed on or about May 5, 2003.

The Statement of Answer was filed by Respondents LGI and Godfrey on or about July 15, 2003. The Submission Agreement of Respondent LaFleur & Godfrey, Inc. was signed on or about July 8, 2003, by Richard J. Godfrey.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty and negligence. The causes of action related to Claimants' allegations that Respondents failed to follow their own recommendations and failed to move the recommended portion of Claimants' money into bonds. Claimants further asserted that they were over concentrated in tech stocks, particularly in ADC Communication.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted defenses including the following: Claimants' complaint is not that they lost money, but rather that they did not make enough; Respondents established a suitable and effective investment plan and did everything they could to stick to it; and Claimants' interference in the handling of their account thwarted Respondents' efforts to diversify Claimants' stock holdings.

RELIEF REQUESTED

Claimants requested an award in excess of \$700,000.00 in compensatory damages, interest, costs, attorneys fees, and any other relief the panel deemed appropriate and just.

Respondents requested that the panel return a finding of no cause of action and award Respondents their attorneys fees and costs. At hearing, Respondent Godfrey requested that his CRD record be expunged of all references to this matter.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Richard J. Godfrey did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of 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 arbitration panel on all issues submitted.

At the close of Claimants' case in chief, Respondents moved for a directed verdict. Claimants stated that they had a full and fair opportunity to be heard. After deliberation, the panel granted Respondents' motion on the record at the hearing.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimants' claims, each and all, are denied and dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;

- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Richard J. Godfrey's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Richard J. Godfrey must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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 = \$ 375.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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 Panel x \$1,200.00 = \$ 1,200.00
Pre-hearing conference: April 26, 2004 1 session

Four (4) Hearing sessions x \$1,200.00 = \$ 4,800.00
Hearing Dates: August 10, 2004 2 sessions
August 11, 2004 2 sessions

Total Forum Fees = \$ 6,000.00

The Arbitration Panel has assessed \$3,000.00 of the forum fees jointly and severally to Michael O. and Donna J. Lareau.

The Arbitration Panel has assessed \$3,000.00 of the forum fees jointly and severally to LaFleur & Godfrey, Inc., and Richard J. Godfrey.

FEE SUMMARY

Claimants, Michael O. and Donna J. Lareau, are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 3,000.00
Total Fees	= \$ 3,375.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 1,800.00

Respondents, LaFleur & Godfrey, Inc., and Richard J. Godfrey, are jointly and severally liable for:

Forum Fees	= \$ 3,000.00
Total Fees	= \$ 3,000.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,000.00

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

ARBITRATION PANEL

Patrick R. Sughrue, Esq. - Public Arbitrator, Presiding Chair
Robert L. Nichols, Sr. - Public Arbitrator
Robert W. Edler, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Patrick R. Sughrue, Esq.
Patrick R. Sughrue, Esq.
Public Arbitrator, Presiding Chair

08/11/04
Signature Date

/s/ Robert L. Nichols, Sr.
Robert L. Nichols, Sr.
Public Arbitrator

08/11/04
Signature Date

/s/ Robert W. Edler, Esq.
Robert W. Edler, Esq.
Non-Public Arbitrator

08/11/04
Signature Date

08/11/04
Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 03-05524
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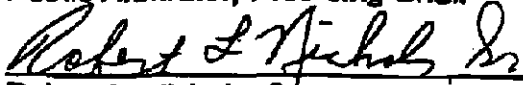
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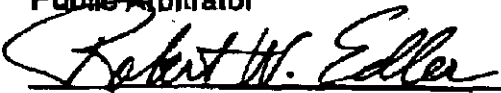
Concurring Arbitrators:


Patrick R. Sughrue, Esq.
Public Arbitrator, Presiding Chair

August 11, 2004
Signature Date


Robert L. Nichols, Sr.
Public Arbitrator

August 11, 2004
Signature Date


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