

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Paragon Capital Markets, Inc. (Claimant) v. Anna York Mills and Peter Y. Mills  
(Respondents)

Case Number: 03-04310

Hearing Site: New York, New York

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

**REPRESENTATION OF PARTIES**

Claimant Paragon Capital Markets, Inc. ("Paragon") hereinafter referred to as  
"Claimant": Danny J. Levine, President, Paragon Capital Markets, Inc., New York, NY.

Respondents Anna York Mills ("A. Mills") and Peter Y. Mills ("P. Mills") hereinafter  
collectively referred to as "Respondents" appeared *pro se*.

**CASE INFORMATION**

Statement of Claim filed on or about: June 11, 2003.

Claimant signed the Uniform Submission Agreement: June 10, 2003.

Joint Statement of Answer filed by Respondents filed on about: October 16, 2003.

Respondents signed the Uniform Submission Agreement: September 17, 2003.

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of contract; failure to repay monies owed pursuant to the terms of a promissory note; and collection. Claimant's claim involved shares of common stock.

In their Answer, Respondents admitted that the debt remains outstanding due to their inability to pay because of financial hardship.

**RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$53,787.53 plus interest of \$13,253.28; costs; and any additional relief the arbitrators may deem just and proper.

**OTHER ISSUES CONSIDERED AND DECIDED**

Arbitrator Jeffrey P. Bachmann did not participate in the hearing on June 29, 2004. The parties unanimously agreed to proceed with the remaining two arbitrators.

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. Respondents are jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of \$49,787.53, together with interest at the rate of 10% per annum from June 15, 2001 through the date of payment of the award..
2. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$1,000.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution.
3. Any and all relief not specifically addressed herein 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	= \$1,000.00
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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. Accordingly, Paragon Capital Markets, Inc. is a party.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,700.00

**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 @ \$750.00	= \$ 750.00
Pre-hearing conference: January 13, 2004 1 session	
One (1) Hearing session @ \$750.00	= \$ 750.00
Hearing Date: June 29, 2004 1 session	
Total Forum Fees	= \$1,500.00

1. The Panel has assessed \$1,500.00 of the forum fees jointly and severally against Respondents.

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$3,550.00
Total Fees	= \$4,550.00
Less payments	= \$3,600.00
Balance Due NASD Dispute Resolution	= \$ 950.00

*As stated in the "Award" section above, Respondents are jointly and severally liable for and shall reimburse Claimant for the \$1,000.00 filing fee.*

2. Respondents are jointly and severally liable for:

Forum Fees	= \$1,500.00
Total Fees	= \$1,500.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,500.00

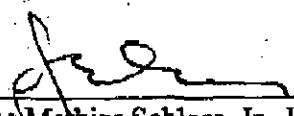
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.
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**ARBITRATION PANEL**

Eugene Mathias Schloss, Jr., Esq.    -    Public Arbitrator, Presiding Chairperson  
Evan Janovic                               -    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 is which is my award.

  
\_\_\_\_\_  
Eugene Mathias Schloss, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

7/12/04  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Evan Janovic  
Public Arbitrator

\_\_\_\_\_  
Signature Date

July 12, 2004

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

Eugene Mathias Schloss, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Evan Janovic	-	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 in which is my award.

\_\_\_\_\_  
Eugene Mathias Schloss, Jr., Esq.  
Public Arbitrator, Presiding Chairperson

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Evan Janovic  
Public Arbitrator

  
\_\_\_\_\_  
Signature Date

July 12, 2004

\_\_\_\_\_  
Date of Service (For NASD Dispute Resolution use only)