
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Dona Connelly

Case Number: 03-05423

Names of the Respondents
Linsco/Private Ledger Corp.
Gary Cotter

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For Dona Connelly, hereinafter referred to as "Claimant": Michael H. Schaalman, Esq., Quarles & Brady, LLP, Milwaukee, Wisconsin.

For Linsco/Private Ledger Corp. ("Linsco") and Gary Cotter ("Cotter"), hereinafter collectively referred to as "Respondents": Peter W. Gillies, Vice President and Associate Counsel with Respondent Linsco, Boston, Massachusetts.

CASE INFORMATION

Statement of Claim filed on or about: July 22, 2003.

Claimant signed the Uniform Submission Agreement on: July 16, 2003.

Statement of Answer filed on or about: September 26, 2003.

Respondent Linsco signed the Uniform Submission Agreement on: August 14, 2003.

Respondent Cotter signed the Uniform Submission Agreement on: November 10, 2003.

CASE SUMMARY

Claimant alleged the following causes of action: 1) intentional misrepresentation/fraud; 2) negligent misrepresentation; 3) strict liability misrepresentation; 4) negligent supervision; 5) violation of fiduciary duty under NASD and NYSE Rules, including obligations of fair dealing, misrepresentation, fraud, notice, suitability, unauthorized trading, and knowing your customer; 6) common law breach of fiduciary duty; and 7) gross incompetence and gross negligence. The causes of action relate to investments in various, unspecified equities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$293,522.00; 2) interest in the amount of \$55,714.00; 3) punitive damages in the amount of \$450,000.00; 4) costs; 5) attorneys' fees; and 6) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents requested: 1) dismissal of the Statement of Claim in its entirety; 2) costs; 3) attorneys' fees; and 4) such other relief the Panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable and shall pay to Claimant compensatory damages in the amount of \$293,522.00, plus pre-judgment interest in the amount of \$55,714.00. The Panel finds Respondents liable on the claim of suitability and Respondent Linsco liable on the claim of negligent supervision. The Panel does not find Respondents liable on all other claims.
2. Claimant's requests for punitive damages and attorneys' fees are denied.
3. Respondents' request for attorneys' fees is denied.
4. Any and all claims or relief not specifically addressed herein are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 375.00

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 Linsco is a member firm and a party.

Member surcharge = \$2,250.00

Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

There were no three-day cancellation fees assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

There were no injunctive relief fees assessed during these proceedings.

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:

Two (2) Pre-hearing sessions with Panel @ \$1,200.00 per session	= \$2,400.00
Pre-hearing conferences: February 26, 2004 1 session	
October 14, 2004 1 session	

Five (5) Hearing sessions @ \$1,200.00 per session	= \$6,000.00
Hearing Dates: March 14, 2005 2 sessions	
March 15, 2005 2 sessions	
March 16, 2005 1 session	

Total Forum Fees	= \$8,400.00
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The Panel has assessed the total forum fees in the amount of \$8,400.00 jointly and severally to Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 375.00
<u>Total Fees</u>	= \$ 375.00
<u>Less payments</u>	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Linsco is solely liable for:

<u>Member Fees</u>	= \$7,000.00
<u>Total Fees</u>	= \$7,000.00
<u>Less payments</u>	= \$7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$8,400.00
<u>Total Fees</u>	= \$8,400.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$8,400.00

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

ARBITRATION PANEL

<i>Franci G. Rudolph</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Hal S. Holtsinger</i>	-	<i>Public Arbitrator</i>
<i>Sharon Lee Chernin</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

_____/s/
Franci G. Rudolph
Public Arbitrator, Presiding Chairperson

March 17, 2005
Signature Date

_____/s/
Hal S. Holtsinger
Public Arbitrator

March 17, 2005
Signature Date

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/s/
Sharon Lee Chernin
Non-Public Arbitrator

March 17, 2005
Signature Date

March 18, 2005
Date of Service (For NASD Dispute Resolution office use only)

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There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Linsco is solely liable for:

Member Fees	= \$7,000.00
Total Fees	= \$7,000.00
Less payments	= \$7,000.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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ARBITRATION PANEL

Franci G. Rudolph
Hal S. Holsinger
Sharon Lee Chernin

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

Franci G. Rudolph

3/17/2005

Franci G. Rudolph
Public Arbitrator, Presiding Chairperson

Signature Date

Hal S. Holsinger
Public Arbitrator

Signature Date

Mar-17-2005 15:00:00 NASD

No. 7262 P. 5

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There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant is solely liable for:

<u>Initial Filing Fee</u>	= \$ 375.00
<u>Total Fees</u>	= \$ 375.00
<u>Less payments</u>	= \$ 375.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondent Linsco is solely liable for:

<u>Member Fees</u>	= \$7,000.00
<u>Total Fees</u>	= \$7,000.00
<u>Less payments</u>	= \$7,000.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$8,400.00
<u>Total Fees</u>	= \$8,400.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$8,400.00

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

ARBITRATION PANEL

Franci G. Rudolph	-	Public Arbitrator, Presiding Chairperson
Eal S. Holtsinger	-	Public Arbitrator
Sharon Lee Chernin	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Franci G. Rudolph
Public Arbitrator, Presiding Chairperson

Signature Date

Eal S. Holtsinger
Eal S. Holtsinger
Public Arbitrator

3-17-2005
Signature Date

No. 7249 P. 6/6

Sharon Lee Chemin
Sharon Lee Chemin
Non-Public Arbitrator

3/17/05
Signature Date

Date of Service (For NASD Dispute Resolution office use only)