

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimants

George E. Baker and Kathleen D. Baker

v.

03-05988
Denver, Colorado

Respondents

Raymond James Financial Services, Inc.,
and Fred L. Dowd

Nature of Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

George E. Baker and Kathleen D. Baker ("**Claimants**") were represented by Steve A. Miller, Esq., of Steve A. Miller, P.C., Denver, Colorado.

Raymond James Financial Services, Inc. ("**Raymond James**") and Fred L. Dowd ("**Dowd**"), hereinafter collectively referred to as "**Respondents**," were represented by Joseph C. Coates, III, Esq., and Neil B. Solomon, Esq., of Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

The Statement of Claim was filed on or about August 18, 2003. The Submission Agreements of Claimants were signed on or about August 18, 2003.

The Statement of Answer was filed jointly by Respondents, Raymond James Financial Services, Inc., and Fred L. Dowd, on or about November 23, 2003. The Submission Agreement of Respondent, Raymond James Financial Services, Inc., was signed on or about September 2, 2003.

CASE SUMMARY

Claimants asserted causes of action including the following: fraud; breach of fiduciary duty; breach of duty of care; violation of NASD Conduct Rules 2110, 2310 and 3010; suitability; and failure to supervise. The causes of action related to Claimants' allegations that Dowd concentrated Claimants' accounts in various unspecified high-tech related equities without employing any reasonable downside risk management. Claimants also alleged that Raymond James failed to supervise Dowd and, as such, are liable for his actions under respondeat superior.

Respondents denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: Claimants were fully advised and understood the nature of the investments purchased in their accounts; Claimants had full, complete, accurate and contemporaneous knowledge of all transactions complained of in the Claim, and accordingly are precluded from any recovery in this action; Claimants received trade confirmations and account statements in a timely fashion indicating the securities purchased, sold or transferred, as well as the net worth for each of its accounts at issue; Claimant continued dealing with Raymond James without complaining of the positions in or status of their accounts which constituted ratification and waiver of any wrongdoing by Raymond James; Claimants failed to mitigate their damages through continued maintenance and pursuit of the trading strategy in the accounts at Raymond James; Claimants' claims are barred as a result of their failure to exercise due diligence and their failure to timely disaffirm the transactions and acts complained of in the Claim, despite their knowledge of any wrongdoing; and Claimants are not entitled to recovery against Respondents in this arbitration because Raymond James and its agents acted at all times in good faith and exercised reasonable diligence.

RELIEF REQUESTED

Claimants requested an award of \$1,350,000 in compensatory damages, plus punitive damages, interest, costs, attorney's fees and any other relief the panel deemed just and equitable.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. In addition, Respondents asked for expungement of the claim from Dowd's CRD record and an assessment of all forum fees against Claimants.

OTHER ISSUES CONSIDERED & DECIDED

Respondent, Fred L. Dowd, did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure and having answered the claim is bound by the determination of the panel on all issues submitted.

Prior to the hearing, the parties fully and finally settled all claims by and between them. As part of their settlement agreement, the parties submitted an Agreed Motion for Dismissal of All Claims and for the Entry of a Stipulated Award Directing Expungement to the Panel for its consideration and requested that it be entered.

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 originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings and the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

1. Claimants' claims having been withdrawn, are hereby dismissed with prejudice in their entirety;
2. The arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent Fred L. Dowd's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Fred L. Dowd must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys' fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 500

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, the member firm is Raymond James Financial Services, Inc.

Member surcharge = \$ 2,800
Pre-hearing process fee = \$ 750
Hearing process fee = \$ 5,000

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 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 x \$ 1,200 = \$ 2,400

| | | |
|--------------------------|------------|-----------|
| Pre-hearing conferences: | 03/30/2004 | 1 session |
| | 08/11/2004 | 1 session |

Total Forum Fees = \$ 2,400

The Arbitration Panel has assessed \$ 1,200 of the forum fees jointly and severally to George E. Baker and Kathleen D. Baker.

The Arbitration Panel has assessed \$ 1,200 of the forum fees jointly and severally to Raymond James Financial Services, Inc., and Fred L. Dowd.

FEE SUMMARY

Claimants, George E. Baker and Kathleen D. Baker, are jointly and severally liable for:

| | |
|-------------------------------------|------------|
| Initial Filing Fee | = \$ 500 |
| <u>Forum Fees</u> | = \$ 1,200 |
| Total Fees | = \$ 1,700 |
| <u>Less payments</u> | = \$ 1,700 |
| Balance Due NASD Dispute Resolution | = \$ 0 |

Respondent, Raymond James Financial Services, Inc., is liable for:

| | |
|-------------------------------------|------------|
| <u>Member Fees</u> | = \$ 8,550 |
| Total Fees | = \$ 8,550 |
| <u>Less payments</u> | = \$ 8,550 |
| Balance Due NASD Dispute Resolution | = \$ 0 |

Respondents, Raymond James Financial Services, Inc., and Fred L. Dowd, are jointly and severally liable for:

| | |
|-------------------------------------|------------|
| <u>Forum Fees</u> | = \$ 1,200 |
| <u>Total Fees</u> | = \$ 1,200 |
| <u>Less payments</u> | = \$ 0 |
| Balance Due NASD Dispute Resolution | = \$ 1,200 |

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

ARBITRATION PANEL

Donald L. Tolin - Public Arbitrator, Presiding Chair
Dom Alecci - Public Arbitrator
Richard M. Reider - Non-Public Arbitrator

Concurring Arbitrators:

Donald L. Tolin
Public Arbitrator, Presiding Chair

Signature Date

Dom Alecci
Public Arbitrator

Signature Date

Richard M. Reider
Non-Public Arbitrator

Signature Date

6/12/05
Date of Service (NASD use only)

NASD Dispute Resolution
Arbitration No. 03-05988
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Respondents, Raymond James Financial Services, Inc., and Fred L. Dowd, are jointly and severally liable for:

| | |
|-------------------------------------|------------|
| Forum Fees | = \$ 1,200 |
| Total Fees | = \$ 1,200 |
| Less payments | = \$ 0 |
| Balance Due NASD Dispute Resolution | = \$ 1,200 |

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Dom Alecci - Public Arbitrator
Richard M. Reider - Non-Public Arbitrator

Concurring Arbitrators:

DLTolin
Donald L. Tolin
Public Arbitrator, Presiding Chair

June 12, 2005
Signature Date

Dom Alecci
Public Arbitrator

Signature Date

Richard M. Reider
Non-Public Arbitrator

Signature Date

6/12/05
Date of Service (NASD use only)

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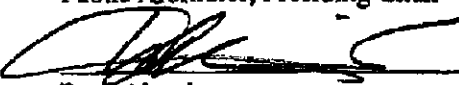
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Donald L. Tolin - Public Arbitrator, Presiding Chair
Dom Alecci - Public Arbitrator
Richard M. Reider - Non-Public Arbitrator

Concurring Arbitrators:

Donald L. Tolin
Public Arbitrator, Presiding Chair

Signature Date



Dom Alecci
Public Arbitrator

6-10-2005
Signature Date

Richard M. Reider
Non-Public Arbitrator

Signature Date

6/12/05
Date of Service (NASD use only)

Respondents, Raymond James Financial Services, Inc., and Fred L. Dowd, are jointly and severally liable for:

| | |
|--|------------|
| <u>Forum Fees</u> | = \$ 1,200 |
| <u>Total Fees</u> | = \$ 1,200 |
| <u>Less payments</u> | = \$ 0 |
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Dom Alecci - Public Arbitrator
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Concurring Arbitrators:

Donald L. Tolin
Public Arbitrator, Presiding Chair

Signature Date

Dom Alecci
Public Arbitrator

Signature Date



Richard M. Reider
Non-Public Arbitrator

6/10/05

Signature Date

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