

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Frederick Blum

Case Number: 04-01466

Names of the Respondents
Philadelphia Brokerage Corporation
Kevin F. Hamilton

Hearing Site: Philadelphia, PA

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

REPRESENTATION OF PARTIES

Claimant, Frederick Blum, hereinafter referred to as "Claimant", was represented by Anthony J. Hom, Esq., New York, New York.

Respondents, Philadelphia Brokerage Corporation and Kevin F. Hamilton ("Hamilton"), hereinafter referred to as "Respondents", were represented by Richard C. Szuch, Esq., Dillon, Bitar & Luther, L.L.C., Morristown, New Jersey.

CASE INFORMATION

Statement of Claim filed on March 3, 2004.

Claimant signed the Uniform Submission Agreement on January 23, 2004.

Respondents filed a Motion to Dismiss and Answer on May 4, 2004.

Claimant's Response to Respondents' Motion to Dismiss filed on May 13, 2004.

Preliminary Statement filed by Respondents on May 28, 2004.

A representative of Respondent Philadelphia Brokerage Corporation signed the Uniform Submission Agreement on March 23, 2004.

Respondent Hamilton signed the Uniform Submission Agreement on April 22, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty and breach of trust; failure to supervise; negligence; unsuitability; breach of contract; violations of sections 401 and 501 of the Pennsylvania Securities Act of 1972 as amended by Act 109 of 1998; and, violations of the Pennsylvania Unfair Trade Practices and Consumer Protection Law 73 PA. C.S., 201 et seq. The causes of action relate to the purchase and sale of various stocks.

Unless specifically admitted in their Answer, Respondents 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; waiver, estoppel and ratification; statutes of limitations; and, failure to mitigate.

RELIEF REQUESTED

Claimant requested \$99,000.00 in compensatory damages; interest and costs in unspecified amounts; and other just relief.

Respondents requested that Claimant's Statement of Claim be dismissed in its entirety; that Respondents be awarded fees and expenses, including forum fees and all other costs; and, that Respondent Hamilton's Central Registration Depository record be expunged.

OTHER ISSUES CONSIDERED AND DECIDED

On or about September 21, 2004, the Panel stated that a ruling on Respondents' Motion to Dismiss would be held in abeyance. Respondents renewed their Motion to Dismiss at the hearing on the merits. The Panel denied the Motion.

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. Claimant's claims are denied in their entirety;
2. 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 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 = \$225.00

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, Philadelphia Brokerage Corporation 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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

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|--|-------------|
| One (1) Pre-hearing session with Panel @ \$750.00 | = \$ 750.00 |
| Pre-hearing conference: September 15, 2004 1 session | |

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|--|--------------|
| Two (2) Hearing sessions @ \$750.00 | = \$1,500.00 |
| Hearing Date: March 2, 2005 2 sessions | |

| | |
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| Total Forum Fees | = \$2,250.00 |
|------------------|--------------|

1. The Panel has assessed \$1,125.00 of the forum fees to Claimant.
2. The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is assessed and shall pay:

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|-------------------------------------|--------------|
| Initial Filing Fee | = \$ 225.00 |
| Forum Fees | = \$1,125.00 |
| Total Fees | = \$1,350.00 |
| Less payments | = \$ 975.00 |
| Balance Due NASD Dispute Resolution | = \$ 375.00 |

2. Respondent Philadelphia Brokerage Corporation is assessed and shall pay:

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|-------------------------------------|--------------|
| Member Fees | = \$3,550.00 |
| Total Fees | = \$3,550.00 |
| Less payments | = \$3,550.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

3. Respondents Philadelphia Brokerage Corporation and Hamilton are assessed and shall pay:


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|--|--------------|
| <u>Forum Fees</u> | = \$1,125.00 |
| <u>Total Fees</u> | = \$1,125.00 |
| <u>Less payments</u> | = \$ 0.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$1,125.00 |

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

ARBITRATION PANEL

| | | |
|----------------------|---|--|
| Jack M. Marden, Esq. | - | Public Arbitrator, Presiding Chairperson |
| Stanley L. Wang | - | Public Arbitrator, Panelist |
| Carol Corbett | - | Non-Public Arbitrator, Panelist |

Consenting Arbitrators' Signatures



Jack M. Marden, Esq.
Public Arbitrator, Presiding Chairperson

3/14/05

Signature Date

Stanley L. Wang
Public Arbitrator, Panelist

Signature Date

Carol Corbett
Non-Public Arbitrator, Panelist

Signature Date

March 15, 2005

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

3. Respondents Philadelphia Brokerage Corporation and Hamilton are assessed and shall pay:

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|-------------------------------------|--------------|
| Forum Fees | = \$1,125.00 |
| Total Fees | = \$1,125.00 |
| Less payments | = \$ 0.00 |
| Balance Due NASD Dispute Resolution | = \$1,125.00 |

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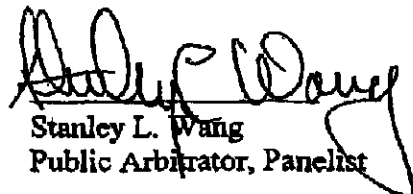
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Concurring Arbitrators' Signatures

Jack M. Marden, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Stanley L. Wang
Public Arbitrator, Panelist

3/19/05
Signature Date

Carol Corbett
Non-Public Arbitrator, Panelist

Signature Date

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Non-Public Arbitrator, Panelist

3-14-05
Signature Date

March 15, 2005

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