
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Patricia E. Rausch

Case Number: 04-01675

Names of the Respondents
American Express Financial Advisors, Inc.
Gary S. Williams

Hearing Site: Baltimore, Maryland

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

REPRESENTATION OF PARTIES

For Patricia E. Rausch , hereinafter referred to as "Claimant": Stephen Murakami, Esq., Hooper & Weiss, LLC, Jericho, New York.

For American Express Financial Advisors, Inc. ("AEFA") and Gary S. Williams ("Williams") hereinafter referred to as "Respondents": Gary R. Irwin, Esq., Edgarton, Weaver & Irwin, LLC, Minneapolis, Minnesota.

CASE INFORMATION

Statement of Claim filed on or about: March 18, 2004.

Claimant signed the Uniform Submission Agreement: July 27, 2003.

Statement of Answer filed by Respondents on or about: May 6, 2004.

Respondent AEFA signed the Uniform Submission Agreement: April 24, 2004.

Respondent Williams signed the Uniform Submission Agreement: April 20, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: 1) breach of fiduciary duty; 2) failure to supervise; 3) violation of Maryland's Uniform Securities Act; 4) violation of Maryland's Deceptive Trade Practices Act; 5) unsuitable trading; 6) common law fraud; 7) conversion; 8) recklessness; and, 9) breach of contract. The causes of action relate to the purchase of various unspecified stocks in Claimant's account.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$326,923.03, costs and expenses,

punitive damages, reasonable attorney's fees and for such other relief as the Panel deemed just and proper.

Respondents requested that the Statement of Claim be dismissed and an assessment of all costs against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing on the merits in this matter, the parties entered into settlement discussions. Respondent Williams refused to consider settlement, preferring to go ahead defending himself against claims which he considered to be fully lacking in any arguable merit. Although the corporate respondent also believed that Claimant's claims lacked merit, it was willing to engage in discussions around a practical solution, in order to avoid high litigation costs, disruptions within the company and to preserve good client relations. Claimant was willing to dismiss Respondent Williams from the case and to agree to an expungement of this matter from his NASD Central Registration Depository (the "CRD") record and then engage in settlement discussions with Respondent AEFA.

On or about April 13, 2005, the parties advised NASD Dispute Resolution that they had settled this matter.

On or about September 7, 2006, the parties submitted to NASD Dispute Resolution a proposed Stipulated Award with a request for expungement of the NASD CRD record of Respondent Williams.

On or about September 12, 2006, the Panel granted the parties request for a Stipulated Award with expungement of Respondent William's NASD CRD record.

The parties have agreed that the Award in this matter may be entered in counterpart copies or that a signed handwritten Award may be entered.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief

Claimant and Respondent AEFA have agreed to resolve this matter, part of which settlement is based on the parties' agreement to request that the Panel enter this Stipulated Award into the record of this case. Claimant's claim was filed prior to NASD enactment of Rule 2130 regarding expungements.

The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Williams registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Williams must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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 = \$ 300.00

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 AEFA is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge = \$ 1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 2,750.00

Total Member Fees = \$ 5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed in this matter.

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:

No cancellation fees were assessed in this matter.

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.

No injunctive relief fees were incurred during this proceeding.

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 the Panel @ \$1,125.00 = \$1,125.00

Pre-hearing conference: August 25, 2004 1 session

One (1) Hearing session with the Panel @ \$1,125.00	= \$ 1,125.00
Hearing Date: September 7, 2006 1 session	
Total Forum Fees	= \$ 2,250.00

The Panel has assessed \$ 562.50 of the forum fees to Claimant.
The Panel has assessed \$1,125.00 of the forum fees to Respondent Williams.
The Panel has assessed \$562.50 of the forum fees 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.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 562.50
Total Fees	= \$ 862.50
Less payments	= \$ 862.50
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent AEFA is solely liable for:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Williams is solely liable for:

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

Respondents are jointly and severally liable for:

Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
Less payments	= \$ 562.50
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Alan S. Carmel, Esq.

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Public Arbitrator, Presiding Chairperson

Arnold Samuel Tesh

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Public Arbitrator

James A. Roth

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Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

Alan S. Carmel, Esq.

Public Arbitrator, Presiding Chairperson

10/13/06

Signature Date

/s/

Arnold Samuel Tesh

Public Arbitrator

10/10/06

Signature Date

/s/

James A. Roth

Non-Public Arbitrator

10/10/06

Signature Date

10/13/06

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

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Alan S. Carmel, Esq.
 Arnold Samuel Tesh
 James A. Roth

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

Concurring Arbitrators' Signatures


 Alan S. Carmel, Esq.
 Public Arbitrator, Presiding Chairperson

10/13/06
 Signature Date

Arnold Samuel Tesh
 Public Arbitrator

Signature Date

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Arnold Samuel Tesh	-	Public Arbitrator
James A. Roth	-	Non-Public Arbitrator

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Alan S. Carmel, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Arnold Samuel Tesh
Public Arbitrator

10 OCT. 2006
Signature Date

James A. Roth
Non-Public Arbitrator

Signature Date

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<i>James A. Roth</i>	-	<i>Non-Public Arbitrator</i>

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Public Arbitrator, Presiding Chairperson

Signature Date

Arnold Samuel Tesh
Public Arbitrator

Signature Date

James A. Roth
Non-Public Arbitrator

10/10/06
Signature Date

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