

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

NAME OF Claimant

Lonnie Wright

and

Case Number: 04-02777

Hearing Site: Louisville, Kentucky

Names of Respondents

Seaboard Securities, Inc.,
and Dylan Joseph Howell

NATURE OF DISPUTE

Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

Lonnie Wright ("Wright" or "Claimant") was represented by Scott A. Lane, Esq., Edgar Snyder & Associates, LLC, Pittsburgh, Pennsylvania.

Seaboard Securities, Inc. ("Seaboard") and Dylan Joseph Howell ("Howell"), hereinafter referred to as "Respondents," were represented by Michael P. Gilmore, Esq., Sims Moss Kline & Davis LLP, Mineola, New York.

CASE INFORMATION

The Statement of Claim was filed on or about April 14, 2004. The Submission Agreement of Claimant was signed on or about March 3, 2004.

The Statement of Answer was filed jointly by Respondents Seaboard and Howell on or about June 4, 2004. The Submission Agreement of Seaboard was signed on or about April 28, 2004. The Submission Agreement of Howell was signed on or about June 3, 2004.

On or about June 3, 2004, the Claimant filed a Motion to Change Venue.

On or about July 6, 2004, the Respondents filed their Response to Claimant's Motion to Change Venue.

On or about July 27, 2004, the Director of Arbitration denied Claimant's Motion to Change Venue.

CASE SUMMARY

Claimant asserted the following causes of action: failure to supervise; unsuitability/over-concentration; breach of contract; violations of the Kentucky Securities Law; and breach of fiduciary duty. The causes of action related to the recommendation and purchases of various stocks including as Micron Technology, Oracle Corp., Triquint Semiconductor, Inc., EMC Corp., Sun Microsystems, and Applied Micro Circuits. Claimant alleged that Respondents purchased stocks that were unsuitable based on his investment needs and objectives, which led to substantial losses in his account.

Unless specifically admitted in their Answer, Respondents Seaboard and Howell denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant has failed to state a claim against Respondents for which relief may be granted; this arbitration is barred by the applicable statute of limitations and under the doctrine of laches; and Claimant, with full knowledge of all material facts concerning the relevant securities account, waived claims set forth in the claim and the alleged damages resulting therefrom by failing to take timely and appropriate action prior to incurring such damages.

RELIEF REQUESTED

Claimant requested an award in the amount of \$203,354.00 in compensatory damages, punitive damages, interest, costs and attorneys' fees and any other relief the panel deemed just and proper.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs, that the arbitration and any related references be expunged from the CRD record of Respondent Howell and any other relief the panel deemed appropriate.

OTHER ISSUES CONSIDERED & DECIDED

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 original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents, Seaboard Securities, Inc., and Dylan Joseph Howell, are jointly and severally liable for and shall pay to Claimant, Lonnie Wright, the sum of \$19,000.00 in compensatory damages;
- 2) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 3) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

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 = \$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. In this matter, the member firm is Seaboard Securities, Inc.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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:

One (1) Pre-hearing session with Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: September 14, 2004	1 session
Six (6) Hearing sessions x \$1,125.00	= \$6,750.00
Hearing Dates: October 18, 2005	2 sessions
October 19, 2005	3 sessions
October 20, 2005	1 session
Total Forum Fees	= \$7,875.00

The Arbitration Panel has assessed \$1,968.75 of the forum fees to Lonnie Wright.

The Arbitration Panel has assessed \$5,906.25 of the forum fees jointly and severally to Seaboard Securities, Inc., and Dylan Joseph Howell.

Fee Summary

Claimant, Lonnie Wright, is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$1,968.75
Total Fees	= \$2,268.75
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$ 843.75

Respondent, Seaboard Securities, Inc., is liable for:

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

Respondents, Seaboard Securities, Inc., and Dylan Joseph Howell, are jointly and severally liable for:

Forum Fees	= \$5,906.25
Total Fees	= \$5,906.25
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$5,906.25

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

ARBITRATION PANEL

Jane D. Lollis, Esq. – Public Arbitrator, Presiding Chair
Jeffrey M. Bain, Esq. - Public Arbitrator
Denise H. McClelland, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Jane D. Lollis, Esq.
Jane D. Lollis, Esq.
Public Arbitrator, Presiding Chair

10/27/05
Signature Date

/s/ Jeffrey M. Bain, Esq.
Jeffrey M. Bain, Esq.
Public Arbitrator

10/28/05
Signature Date

/s/ Denise H. McClelland, Esq.
Denise H. McClelland, Esq.
Non-Public Arbitrator

10/28/05
Signature Date

10/28/05
Date of Service (For NASD office use only)

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Jane D. Lollis, Esq. - Public Arbitrator, Presiding Chair
Jeffrey M. Bain, Esq. - Public Arbitrator
Denise H. McClelland, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

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Concurring Arbitrators:

Jane D. Lollis, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Jeffrey M. Bain, Esq.
Public Arbitrator

October 08, 2005

Signature Date

Denise H. McClelland, Esq.
Non-Public Arbitrator

Signature Date

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Non-Public Arbitrator

10-28-05

Signature Date

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