

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Marcella Cornacchia Arango (Claimant) v. Washington Square Securities, Inc., Diddel & Diddel, LLC and Scott Diddel (Respondents)

Case Number: 04-04647

Hearing Site: Hartford, Connecticut

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

REPRESENTATION OF PARTIES

Claimant Marcella Cornacchia Arango hereinafter referred to as "Claimant": Michael A. Stratton, Esq, Stratton Faxon, New Haven, CT.

Respondent Washington Square Securities, Inc., ("Washington Square"): Richard N. Freeth, Esq., Winget, Spadafora & Schwartzberg, L.L.P, Stamford, CT.

Respondent Diddel & Diddel, LLC ("Diddel, LLC") did not enter an appearance in this matter.

Respondent Scott Diddel ("S. Diddel"): Willard Knox, Esq., Paduano & Weintraub LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: June 21, 2004.

Claimant signed the Uniform Submission Agreement: June 15, 2004.

Statement of Answer and Motion to Dismiss filed by Washington Square on or about: October 15, 2004.

Washington Square did not submit a Uniform Submission Agreement.

Diddel & Diddel did not submit an Answer or Uniform Submission Agreement.

Statement of Answer and Motion to Dismiss filed by S. Diddel on or about: October 12, 2004.

S. Diddel signed the Uniform Submission Agreement: October 7, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, negligence, violations of the Connecticut Securities Act, failure to supervise, and common law fraud/misrepresentation. The causes of action relate to mutual funds.

Unless specifically admitted in its Answer, Washington Square denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, S. Diddel denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$177,000.00, interest in the amount of \$53,000.00, punitive damages in the amount of \$354,000.00, attorneys' fees and costs.

Respondent Washington Square requested dismissal of the Statement of Claim in its entirety, reasonable costs and attorneys' fees.

Respondent S. Diddel requested dismissal of the Statement of Claim in its entirety, reasonable costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated November 6, 2005, Claimant notified NASD Dispute Resolution that the case was settled. By letter dated December 1, 2005, the parties requested a stipulated award.

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

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:

1. Claimant's claims against Scott Diddel are dismissed in their entirety with prejudice.

2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Scott Diddel's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Scott Diddel must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure, the arbitration panel has made the following affirmative findings of fact:

The claim is clearly erroneous.

3. All parties are to bear their own costs and fees.
4. Any and all relief not specifically addressed herein, including punitive and/or treble damages, 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	= \$ 375.00
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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 persons at the time of the events giving rise to the dispute. In this matter, Washington Square Securities is a party.

Member Surcharge	= \$2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$4,000.00

Adjournment Fees

The following adjournment fees are assessed:

June 21-23, 2006 adjournment requested by the parties	= Waived
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Forum Fees and Assessments

The 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,200.00	= \$2,400.00
Pre-hearing conferences: December 20, 2004	1 session
February 7, 2005	1 session
One (1) Hearing session @ \$1,200.00	= \$1,200.00
Hearing: May 10, 2006	1 session
Total Forum Fees	= \$3,600.00

1. The Panel has assessed \$600.00 of the forum fees for the December 20, 2004 pre-hearing conference to Claimant.
2. The Panel has assessed \$600.00 of the forum fees for the December 20, 2004 pre-hearing conference to Respondents Washington Square and S. Diddel jointly and severally.
3. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant has been assessed \$400.00 of the forum fees for the February 7, 2005 pre-hearing conference.
4. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent Washington Square has been assessed \$400.00 of the forum fees for the February 7, 2005 pre-hearing conference.
5. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent S. Diddel has been assessed \$400.00 of the forum fees for the February 7, 2005 pre-hearing conference.
6. The Panel has assessed \$1,200.00 of the forum fees for the May 10, 2006 hearing to Respondent S. Diddel.

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 375.00
Forum Fees	= \$1,000.00
Total Fees	= \$1,375.00
Less payments	= \$1,375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Washington Square is solely liable for:

Member Fees	= \$7,000.00
Forum Fees	= \$ 400.00
Total Fees	= \$7,400.00
Less payments	= \$7,400.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent S. Diddel is solely liable for:

Forum Fees	=\$1,600.00
Total Fees	=\$1,600.00
Less Payments	=\$ 400.00
Balance Due NASD Dispute Resolution	=\$1,200.00

4. Respondents Washington Square and S. Diddel are jointly and severally liable for:

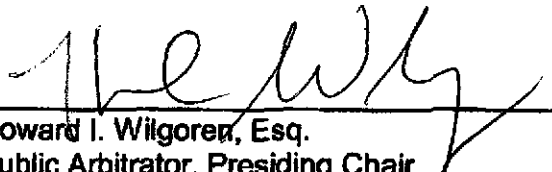
Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due and payable to NASD Dispute Resolution.

ARBITRATION PANEL

Howard I. Wilgoren, Esq.	-	Public Arbitrator, Presiding Chair
Robert Titus	-	Public Arbitrator
Valerie S. Carter, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Howard I. Wilgoren, Esq.
Public Arbitrator, Presiding Chair

6-22-06
Signature Date

Robert Titus
Public Arbitrator

Signature Date

Valerie S. Carter, Esq.
Non-Public Arbitrator

Signature Date

July 20, 2006
Date of Service (For NASD office use only)

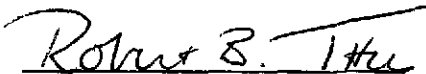
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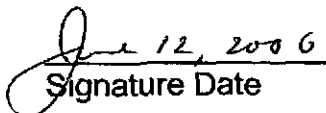
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Robert Titus
Public Arbitrator



Signature Date

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Robert Titus
Public Arbitrator

Signature Date

Valerie S. Carter

Valerie S. Carter, Esq.
Non-Public Arbitrator

6/7/06

Signature Date

July 20, 2006

Date of Service (For NASD office use only)