

**AMENDED AWARD  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Names of Claimants

Subash S, Desai, Sudha S. Desai,  
Parag Desai and Ankur Desai

and

Case Number: 04-05174  
Hearing Site: Houston, Texas

Names of Respondents

RBC Dain Rauscher, Inc.,  
Frank Tighe and  
Richard S. Friedman

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**NATURE OF DISPUTE**

Customers v. Member Firm and Associated Persons

**REPRESENTATION OF PARTIES**

Subash S, Desai, Sudha S. Desai, Parag Desai and Ankur Desai ("**Claimants**") were represented by James D. Pierce, Esq., Houston, Texas.

RBC Dain Rauscher, Inc. ("**RBC**"), Frank Tighe ("**Tighe**") and Richard S. Friedman ("**Friedman**"), hereinafter collectively referred to as "Respondents," were represented by Sharon J. Shumway, Esq., Carrington, Coleman, Sloman & Blumenthal, Dallas, Texas

**CASE INFORMATION**

The Statement of Claim was filed on or about July 20, 2004. The Submission Agreement of Claimants, Subash S, Desai, Sudha S. Desai, Parag Desai and Ankur Desai, was signed on or about July 6, 2004.

The Statement of Answer was filed jointly by Respondents, RBC Dain Rauscher, Inc., Frank Tighe and Richard S. Friedman, on or about November 26, 2004. The Submission Agreement of Respondent, RBC Dain Rauscher, Inc., was signed on or about November 1, 2004. Submission Agreement of Respondent, Frank Tighe, was signed on or about November 24, 2004. The Submission Agreement of Respondent, Richard S. Friedman, was signed on or about November 22, 2004.

### **CASE SUMMARY**

Claimants asserted the following causes of action: breach of contract, negligence, failure to supervise, misrepresentations, churning and omission of facts. The causes of action related to the recommendation and purchase of various unspecified securities. Claimants alleged that Tighe's practice of making and/or soliciting trades in the account were unsuitable for their conservative investment goals. Claimants also alleged that false and misleading statements were made to them about the nature of the trades, transactions, and the state of their accounts including statements related to management by Century Management. Finally, Claimants alleged that RBC and Friedman failed to properly supervise Tighe's activities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants failed to state a claim upon which relief can be granted; Claimants, by their own words and conduct, ratified the transactions of which they complain, waived, and are estopped from asserting the claims made against them; Claimants' own conduct was responsible for the losses complained of by them; and Claimants failed to mitigate their damages.

### **RELIEF REQUESTED**

Claimants requested an award in the amount of:

Actual/Compensatory Damages	\$300,000.00
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

### **OTHER ISSUES CONSIDERED & DECIDED**

At the close of the Claimants' case, Respondents' counsel made two oral motions: the first was a Motion to Dismiss Friedman as a party to this case; and the second was a Motion for a Directed Verdict. The Panel granted both motions.

On or about June 7, 2006, Respondents, Frank Tighe and Richard S. Friedman, submitted a Motion for Additional Findings Supporting Expungement. On or about August 8, 2006, NASD received notice that Claimants' counsel would not be filing an opposition to this Motion. On or about August 25, 2006, the Panel granted the Motion and issued an Amended Award listing additional findings supporting expungement under Rule 2130.

Unless NASD specifically waives this requirement in writing, 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, the arbitration panel has made the following affirmative findings of fact:

The registered persons were not involved in the alleged investment-related sales practice violation.

The claim, allegation or information is false.

The claim, allegation or information is factually impossible or clearly erroneous.

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.) Claimants' claims, each and all, are hereby denied and dismissed with prejudice;
- 2.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondents, Frank Tighe's and Richard S. Friedman's, registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondents, Frank Tighe and Richard S. Friedman, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and

- 4.) 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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is RBC Dain Rauscher, 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 a single arbitrator x \$450.00 = \$ 450.00  
Pre-hearing conference: June 29, 2005 1 session

One (1) Pre-hearing session with Panel x \$1,125.00 = \$ 1,125.00  
Pre-hearing conference: January 25, 2005 1 session

Four (4) Hearing sessions x \$1,125.00 = \$ 4,500.00  
Hearing Dates: August 30, 2005 2 sessions  
August 31, 2005 2 sessions

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Total Forum Fees = \$ 6,075.00

The Arbitration Panel has assessed \$3,037.50 of the forum fees jointly and severally to Subash S. Desai, Sudha S. Desai, Parag Desai and Ankur Desai.

The Arbitration Panel has assessed \$3,037.50 of the forum fees jointly and severally to RBC Dain Rauscher, Inc., Frank Tighe and Richard S. Friedman.

**Fee Summary**

Claimants, Subash S. Desai, Sudha S. Desai, Parag Desai and Ankur Desai, are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 3,037.50
Total Fees	= \$ 3,337.50
Less payments	= \$ 750.00
Balance Due NASD Dispute Resolution	= \$ 2,587.50

Respondent, RBC Dain Rauscher, 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, RBC Dain Rauscher, Inc., Frank Tighe and Richard S. Friedman, are jointly and severally liable for:

Forum Fees	= \$ 3,037.50
Total Fees	= \$ 3,037.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,037.50

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

**ARBITRATION PANEL**

Raymond C. Kerr, Esq. - Public Arbitrator, Presiding Chair  
Leonard S. Alpert - Public Arbitrator  
Mary Ann Tunick - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Raymond C. Kerr, Esq.  
Raymond C. Kerr, Esq.  
Public Arbitrator, Presiding Chair

August 25, 2006  
Signature Date

/s/ Leonard S. Alpert  
Leonard S. Alpert  
Public Arbitrator

August 28, 2006  
Signature Date

/s/ Mary Ann Tunick  
Mary Ann Tunick  
Non-Public Arbitrator

August 28, 2006  
Signature Date

August 29, 2006  
Date of Service (For NASD office use only)

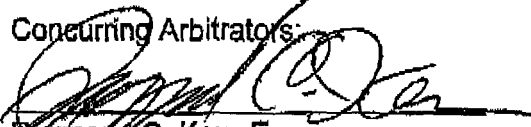
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Concurring Arbitrators:

  
Raymond C. Kerr, Esq.  
Public Arbitrator, Presiding Chair

8/25/06  
Signature Date

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Leonard S. Alpert  
Public Arbitrator

\_\_\_\_\_  
Signature Date

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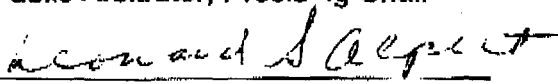
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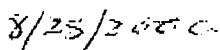
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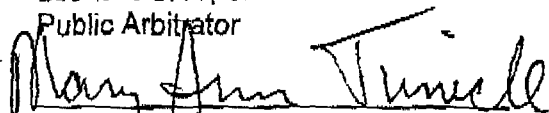
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Mary Ann Tunick - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Raymond C. Kerr, Esq.  
Raymond C. Kerr, Esq.  
Public Arbitrator, Presiding Chair

September 2, 2005  
Signature Date

/s/ Leonard S. Alpert  
Leonard S. Alpert  
Public Arbitrator

September 2, 2005  
Signature Date

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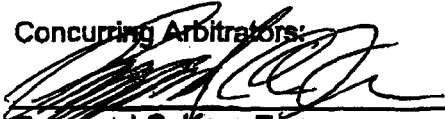
September 5, 2005  
Signature Date

September 2, 2005  
Date of Service (For NASD office use only)

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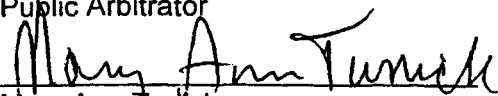
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