

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Veree Carindale, Claimant v. PFS Investments, Inc., Respondent

Case Number: 04-05500

Hearing Site: San Francisco, California

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Nature of the Dispute: Customer v. Member

**REPRESENTATION OF PARTIES**

For Claimant:

Debra Brewer Hayes, Esq.  
Woska & Hayes, LLP  
Kingwood, Texas

For Respondent:

Lisa M. Bertain, Esq.  
Kim Alexander, Esq.  
Keesal, Young & Logan  
San Francisco, California

**CASE INFORMATION**

Statement of Claim filed: July 28, 2004

First Amended Statement of Claim filed: February 8, 2005

Claimant's Uniform Submission Agreement received: August 2, 2004

Statement of Answer filed by Respondent: September 7, 2004

Answer to First Amended Statement of Claim filed by Respondent: February 22, 2005

Respondent's Uniform Submission Agreement signed: October 12, 2004

### **CASE SUMMARY**

Claimant alleged controlling person liability pursuant to Section 20(A) of the Exchange Act, failure to diversify, breach of fiduciary duty, breach of contract, violation of know your customer rule, unsuitability, failure to supervise, violation of securities laws, and failure to hedge. Claimant's allegations involved Putnam Mutual Funds.

Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claims and asserted various affirmative defenses.

### **RELIEF REQUESTED**

In the Statement of Claim, Claimant requested compensatory damages in excess of \$19,000.00, disgorgement, lost earnings, unspecified punitive damages, interest and costs, including attorney's fees.

In the First Amended Statement of Claim, Claimant requested \$25,000.00 in compensatory damages, unspecified punitive damages, and costs, including attorney's fees.

Respondent requested dismissal of the Claimant's Statement of Claims in their entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On September 7, 2004, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

On January 7, 2004, Claimant filed a Motion for Leave to Amend her Original Statement of Claim. In this motion, Claimant requested, in part, that the Arbitrator decide this matter on the paper submissions only so that a formal hearing would not be required. Respondent did not file an opposition. The arbitrator granted the motion.

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**

After considering the pleadings, the Arbitrator 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 attorney's fees.
- 3) All other relief requested and not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 125.00
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#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm PFS Investments, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 425.00
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#### **Forum Fees and Assessments**

The Arbitrator assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Arbitrator. The following fees are assessed:

(1) Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: January 3, 2005 1 session	

Fee for a decision on the paper records	= \$ 300.00
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<b>Total Forum Fees</b>	<b>= \$ 750.00</b>
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1. The Arbitrator assessed \$375.00 of the forum fees to Claimant.
2. The Arbitrator assessed \$375.00 of the forum fees to Respondent.

**Fee Summary**

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 125.00
Forum Fees	= \$ 375.00
Total Fees	= \$ 500.00
Less payments	= \$ (575.00)
Refund Due Claimant	= \$ (75.00)

2. Respondent is charged with the following fees and costs:

Member Fees	= \$ 425.00
Forum Fees	= \$ 375.00
Total Fees	= \$ 800.00
Less payments	= \$ (425.00)
Balance Due NASD Dispute Resolution	= \$ 375.00

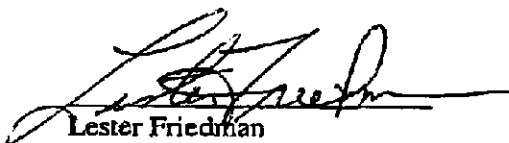
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

**ARBITRATOR**

Lester Friedman

- Public Arbitrator, Presiding Chair

**Arbitrator's Signature**

  
Lester Friedman  
Chair, Public Arbitrator

3/4/05  
Signature Date

3/4/05  
Date of Service