

Award
NASD Dispute Resolution

COPY

In the Matter of the Arbitration Between:
Andrew S. Zucker SEP/IRA and Harriet R. Zucker SEP/IRA, Claimants v. Grattan
Financial Securities, Inc., Warner Pacific Financial, Inc., Pamela H. Wilson, and
Raymond L. Kotrozo, Respondents

Case Number: 04-06212

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers v. Member, Non-Members, and Associated Person

REPRESENTATION OF PARTIES

For Claimants Andrew S. Zucker SEP/IRA and
Harriet R. Zucker SEP/IRA:

Ronald G. Rosenberg, Esq.
Rosenberg & Koffman
Beverly Hills, California

For Respondent Grattan Financial Securities, Inc.:

John Peterson, Esq.
Bate, Peterson, Deacon, Zinn &
Young LLP
Los Angeles, California

For Respondent Warner Pacific Financial, Inc.:

No appearance

For Respondents Pamela H. Wilson and
Raymond L. Kotrozo:

William W. Bloch, Esq.
Excelus Law Group, Inc.
Beverly Hills, California

CASE INFORMATION

Statement of Claim filed: August 30, 2004

Claimants' Joint Uniform Submission Agreement signed: August 29, 2004

Joint Statement of Answer filed by Respondents Pamela H. Wilson and Raymond L.
Kotrozo: December 14, 2004

Respondents Pamela H. Wilson and Raymond L. Kotrozo's Joint Uniform Submission
Agreement signed: December 14, 2004

CASE SUMMARY

Claimants alleged breach of contract, failure to supervise, fraud, negligence, unsuitability, and breach of fiduciary duty, involving unspecified securities.

Unless specifically admitted in their Answer, Respondents Pamela H. Wilson and Raymond L. Kotrozo denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant Andrew S. Zucker SEP/IRA requested \$79,563.09 in compensatory damages and \$250,000.00 in punitive and exemplary damages. Claimant Harriet R. Zucker SEP/IRA requested \$147,938.71 in compensatory damages and \$250,000.00 in punitive damages. Both Claimants requested interest, rescission of their respective investment agreement, and costs, including attorney's fees.

Respondents Pamela H. Wilson and Raymond L. Kotrozo requested dismissal of the Claimants' Statement of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Grattan Financial Securities, Inc. did not file with NASD Dispute Resolution a properly executed submission agreement, but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure ("Code"), and is bound by the determination of the Panel on all issues submitted.

On February 24, 2005, Claimants dismissed Respondent Grattan Financial Securities, Inc. without prejudice.

The Panel dismissed without prejudice Respondent Warner Pacific Financial, Inc. upon a finding that they were not required to submit to arbitration pursuant to the Code.

At the evidentiary hearing, Claimants made a motion for judicial notice of certain documents filed in connection with a federal court case filed against Respondents Pamela H. Wilson and Raymond L. Kotrozo. Also at the evidentiary hearing, Claimants made a motion claiming Respondents were collaterally estopped from denying liability based on certain findings in the federal court case. Respondents Pamela H. Wilson and Raymond L. Kotrozo opposed both motions. After due deliberation, the Panel denied both motions.

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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimants' 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	= \$ 375.00
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Adjournment Fees

The following adjournment fees are assessed:

March 7-9, 2006 hearing adjournment requested by Claimants	= \$ 1,200.00
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The Panel assessed \$1,200.00 of the adjournment fees jointly and severally to Claimants.

Forum Fees and Assessments

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four hours or less. Fees associated with these proceedings are:

1 Pre-hearing conference session with one arbitrator @ \$450.00/session = \$ 450.00
Pre-hearing conference: November 14, 2005 1 session

2 Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$ 2,400.00
Pre-hearing conferences: August 25, 2005 1 session
March 2, 2006 1 session

8 Hearing sessions @ \$1,200.00/session = \$ 9,600.00
Hearings: June 27, 2006 2 sessions
June 28, 2006 2 sessions
June 29, 2006 2 sessions
July 14, 2006 2 sessions

Total Forum Fees = \$12,450.00

1. The Panel assessed \$6,825.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$5,625.00 of the forum fees jointly and severally to Respondents Pamela H. Wilson and Raymond L. Kotrozo.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Adjournment Fee	= \$ 1,200.00
Forum Fees	= \$ 6,825.00
<hr/> Total Fees	<hr/> = \$ 8,400.00
Less payments	= \$(1,575.00)
Balance Due NASD Dispute Resolution	= \$ 6,825.00

2. Respondents Pamela H. Wilson and Raymond L. Kotrozo are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 5,625.00
Less payments	= \$(0.00)
<hr/> Balance Due NASD Dispute Resolution	<hr/> = \$ 5,625.00


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.

ARBITRATION PANEL

George L. Tindall
Suzanne Viau Chamberlain
James M. Goldberg

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures


George L. Tindall
Chair, Public Arbitrator

7/17/06
Signature Date

Suzanne Viau Chamberlain
Public Arbitrator

Signature Date

James M. Goldberg
Non-Public Arbitrator

Signature Date

7/17/06
Date of Service

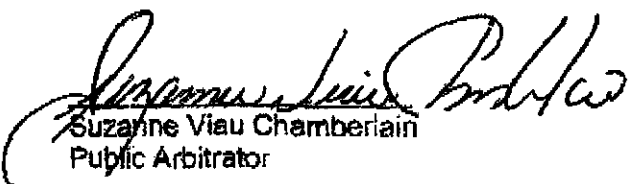
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