

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

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In the Matter of the Arbitration Between:

Joseph and Angelina Parella, Joseph Parella, Angelina Parella f/b/o Daniel Parella and Angelina Parella f/b/o Joseph Parella (Claimants) vs. Milton Koenigsberg and Northeast Securities Incorporated (Respondents)

Case Number: 04-06540

Hearing Site: New York, New York

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Nature of the Dispute: Customers vs. Member and Associated Person

**REPRESENTATION OF PARTIES**

Claimants Joseph and Angelina Parella ("J & A Parella"), Joseph Parella ("Joseph Parella"), Angelina Parella f/b/o Daniel Parella ("D. Parella") and Angelina Parella f/b/o Joseph Parella ("J. Parella") hereinafter collectively referred to as "Claimants": Scott Zucker, Esq., Scott M. Zucker Attorney At Law, Woodbury, New York.

Respondents Milton Koenigsberg ("M. Koenigsberg") and Northeast Securities Incorporated ("Northeast Securities") hereinafter collectively referred to as "Respondents": Charles M. O'Rourke, Esq., Charles M. O'Rourke, Attorney-At-Law, Woodbury, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: September 14, 2004.

J & A Parella signed an undated Uniform Submission Agreement.

Joseph Parella signed an undated Uniform Submission Agreement.

D. Parella signed an undated Uniform Submission Agreement.

J. Parella signed an undated Uniform Submission Agreement.

Joint Statement of Answer filed by the Respondents on or about: November 5, 2004.

M. Koenigsberg signed the Uniform Submission Agreement: October 26, 2004.

Northeast Securities signed the Uniform Submission Agreement: October 26, 2004.

**CASE SUMMARY**

Claimants asserted the following causes of action: common law fraud; securities fraud; suitability; breach of fiduciary duty; negligence; breach of contract; unjust enrichment, and conversion. The cause of action relates to investment in Pimco Funds.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$1,000,000.00, costs, attorneys' fees and such other relief as the Panel may deem just and proper.

Respondents requested that Claimants' claims be dismissed in their entirety.

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

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

1. Claimants' claims are dismissed in their entirety.
2. Any and all relief not specifically addressed herein 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. Accordingly, Northeast Securities Incorporated is a party.

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

August 10, 11, 12, 2005, adjournment by Claimants	=	Waived
January 5 & 6, 2006 adjournment requested by Claimants	=	Waived

#### **Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

August 10, 11, 12, 2005, adjournment by Claimants = \$ 300.00

### **Forum Fees and Assessments**

The Panel has 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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) Pre-hearing conference sessions with a single arbitrator @ \$450.00 per session = \$ 1,350.00

Pre-hearing conferences: June 24, 2005 1 session  
July 26, 2005 1 session  
January 26, 2006 1 session

Six (6) Pre-hearing conference sessions with Panel @ \$1,200.00 per session = \$ 7,200.00

Pre-hearing conferences: March 21, 2005 1 session  
February 1, 2005 1 session  
July 11, 2005 1 session  
September 7, 2005 1 session  
January 6, 2006 1 session  
February 2, 2006 1 session

Seventeen (17) Hearing sessions with Panel @ \$1,200.00 per session = \$20,400.00

September 9, 2005 2 sessions  
October 6, 2005 2 sessions  
November 2, 2005 2 sessions  
November 3, 2005 2 sessions  
May 24, 2006 2 sessions  
May 25, 2006 3 sessions  
June 1, 2006 2 sessions  
June 2, 2006 2 sessions

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Total Forum Fees = \$28,950.00

1. The Panel has assessed \$14,475.00 of the forum fees jointly and severally against the Claimants.
2. The Panel has assessed \$14,475.00 of the forum fees jointly and severally against the Respondents.

### **Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Respondents requested duplication of 10 tapes at \$15.00 per tape = \$ 150.00

**Fee Summary**

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$	375.00
Three Day Cancellation Fee	= \$	300.00
Forum Fees	= \$	14,475.00
Total Fees	= \$	15,150.00
Less payments	= \$	1,575.00
Balance Due NASD Dispute Resolution	= \$	13,575.00

2. Respondent Northeast Securities is solely liable for:

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

3. Respondents are jointly and severally liable for:

Administrative Costs	= \$	150.00
Forum Fees	= \$	14,475.00
Total Fees	= \$	14,625.00
Less payments	= \$	150.00
Balance Due NASD Dispute Resolution	= \$	14,475.00

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

**ARBITRATION PANEL**

Alvin Green, Esq.  
Royce Russell, Esq.  
Antonio Concepcion

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator
- Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Alvin Green, Esq.  
Public Arbitrator, Presiding Chairperson

JUNE 6, 2006

Signature Date

Royce Russell, Esq.  
Public Arbitrator

Signature Date

Antonio Concepcion  
Non-Public Arbitrator

Signature Date

June 6, 2006

Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

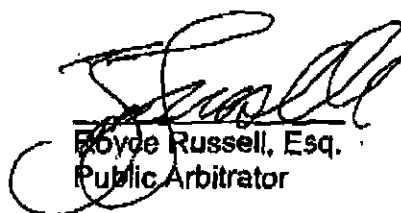
Alvin Green, Esq.	-	Public Arbitrator, Presiding Chairperson
Royce Russell, Esq.	-	Public Arbitrator
Antonio Concepcion	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

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Alvin Green, Esq.  
Public Arbitrator, Presiding Chairperson

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Signature Date

  
\_\_\_\_\_  
Royce Russell, Esq.  
Public Arbitrator

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

\_\_\_\_\_  
Antonio Concepcion  
Non-Public Arbitrator

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

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June 6, 2006  
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