

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Rose Holden, John Herberger, Jessica R. Bullis and Tresa Lematta, Claimants v.
Peter F. Bozikovich, HP Securities, Inc. and HP Investment Advisory, Inc., Respondents

Case Number: 04-07097

Hearing Site: Portland, Oregon

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

REPRESENTATION OF PARTIES

For Claimants:

Christina L. Beatty-Walters, Esq.
Stoll Stoll Berne Lokting &
Shlachter, PC
Portland, Oregon

For Respondents:

B. Scott Whipple, Esq.
Schwabe, Williamson & Wyatt, P.C.
Portland, Oregon

CASE INFORMATION

Statement of Claim filed: October 6, 2004

Claimants' Joint Uniform Submission Agreement signed: October 6, 2004

Joint Statement of Answer filed by Respondents: January 10, 2005

Joint First Amended Response to Statement of Claim by Respondents: February 8, 2005

Respondent Peter F. Bozikovich's Uniform Submission Agreement signed: February 8, 2005

Respondent HP Securities, Inc.'s Uniform Submission Agreement signed: February 8, 2005

Respondent HP Investment Advisory, Inc.'s Uniform Submission Agreement signed:
February 8, 2005

CASE SUMMARY

Claimants alleged negligence, negligent misrepresentation, breach of fiduciary duty, fraud, violation of the Oregon Securities Law, unsuitability, violation of Section 10(b) of the 1934 Securities Exchange Act and Rule 10b-5, failure to supervise, violation of the Know Your Customer Rule and respondeat superior. Claimants' allegations involved investments in viatical settlement interests.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and set forth various affirmative defenses.

RELIEF REQUESTED

Claimants requested \$143,310.00 in compensatory damages, or rescissionary damages under ORS 59.115(2)(a), pre- and post-judgment interest at the statutory rate of 9% per annum, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, expungement of all reference to the above captioned arbitration from Respondent Peter F. Bozikovitch's registration records maintained by the NASD CRD, and costs, including attorney's fees.

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

- 1) Respondents are liable to and shall pay Claimants the sum of \$130,298.00 in compensatory damages upon the Claimants tender of the securities to Respondent.
- 2) Respondents are liable to and shall pay Claimants the sum of \$61,065.00 in attorney's fees, pursuant to ORS 59.115(10).
- 3) Except as awarded above, the parties shall bear their respective costs, including attorney's fees.
- 4) 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	= \$ 300.00
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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 HP Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,700.00</u>
Total Member Fees	= \$ 5,200.00

Forum Fees and Assessments

The Panel 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 Chair or the parties and the Panel. The following fees are assessed:

(1) Pre-hearing conference session with the Chair @ \$450.00/session	= \$ 450.00
Pre-hearing conferences: September 9, 2005 1 session	
(1) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conferences: February 28, 2005 1 session	
(6) Hearing sessions @ \$1,125.00/session	= \$ 6,750.00
Hearings: November 15, 2005 2 sessions	
November 16, 2005 2 sessions	
November 17, 2005 2 sessions	
Total Forum Fees	= \$8,325.00

The Panel assessed \$8,325.00 of the forum fees jointly and severally to Respondents.

Fee Summary

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

Initial Filing Fee	= \$ 300.00
Less payments	= \$(1,425.00)
Refund Due Claimants	= \$(1,125.00)
- Respondent HP Securities, Inc., is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00
- Respondents are charged jointly and severally with the following fees and costs:

Forum Fees	= \$8,325.00
Balance Due NASD Dispute Resolution	= \$8,325.00

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

David M. Gaba
Larry T. Coady
John E. Bates

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

Concurring Arbitrators' Signatures



David M. Gaba
Chair, Public Arbitrator

12-22-05
Signature Date

Larry T. Coady
Public Arbitrator

Signature Date

John E. Bates
Non-Public Arbitrator

Signature Date

12/23/05
Date of Service

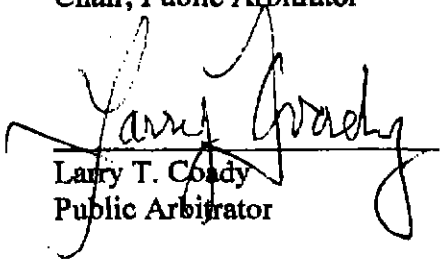
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Larry T. Coady	-	Public Arbitrator
John E. Bates	-	Non-Public Arbitrator

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John E. Bates
Non-Public Arbitrator

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Member Fees	= \$ 5,200.00
<u>Less payments</u>	<u>= \$(5,200.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00
- Respondents are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	<u>= \$8,325.00</u>
Balance Due NASD Dispute Resolution	= \$8,325.00

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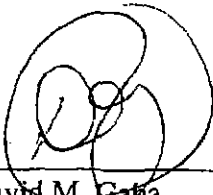
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