

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Kenneth W. Kline

Barbara Kline

Case Number: 04-07185

Names of the Respondents

Ferris Baker Watts, Incorporated

Gail H. Winslow

Hearing Site: Washington, DC

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

REPRESENTATION OF PARTIES

Claimants, Kenneth W. Kline and Barbara Kline, hereinafter collectively referred to as "Claimants", were represented by W. Scott Greco, Esq., Greco & Greco, P.C., McLean, Virginia.

Respondents, Ferris Baker Watts, Incorporated ("FBW"), and Gail H. Winslow ("Winslow"), hereinafter collectively referred to as "Respondents", were represented by Dana S. Gloor, Esq., Ferris Baker Watts, Incorporated, Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on October 11, 2004.

Claimant Kenneth W. Kline signed the Uniform Submission Agreement on October 2, 2004.

Claimant Barbara Kline signed the Uniform Submission Agreement on October 1, 2004.

Statement of Answer filed by Respondents on December 8, 2004.

Dana S. Gloor, Senior Vice-President and Associate General Counsel for FBW executed

Respondent FBW's Uniform Submission Agreement on November 1, 2004.

Respondent Winslow signed the Uniform Submission Agreement on October 28, 2004.

CASE SUMMARY

Claimants asserted the following causes of action, among others: breach of fiduciary duty, fraud and securities fraud, unsuitability, negligence, breach of contract, and control person liability. The causes of action relate to the purchase and sale of various unspecified stocks.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses, among others: the facts are not as set forth in the Statement of Claim; Claimants' claims are barred by the terms of the Investment Service Agreement they executed; statutes of limitations; Claimants' claims are barred by the doctrines of estoppel, waiver, ratification and laches; contributory negligence; and failure to

mitigate damages.

RELIEF REQUESTED

Claimants in their Statement of Claim requested:

Compensatory Damages	\$225,312.00
Punitive Damages	\$450,000.00
Attorneys' Fees	\$ 75,104.00
Other Costs	amount unspecified
Claimants' also requested interest assessed from August, 2000 at 6% per annum.	

Respondents in their Statement of Answer requested that an award be entered in their favor and against Claimants and that Respondents be awarded their costs and expenses. Respondent Winslow, in her pre-hearing brief, requested that the Arbitration Panel (the "Panel") recommend the expungement of all references to this arbitration from her file maintained by NASD's Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

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.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Arbitration Panel (the "Panel") has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims against Respondents FBW and Winslow as to breach of fiduciary duty, fraud and securities fraud, unsuitability under Virginia and federal law and under NASD and NYSE conduct rules are without merit and are dismissed with prejudice in their entirety;
2. All other claims against Respondents, including claims for punitive damages, are denied in their entirety;
3. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Winslow's registration records maintained by the Central Registration Depository, with the understanding that, pursuant to NASD Notice to Members 04-16, Respondent Winslow must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, 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 claim, allegation or information is false:

4. Pursuant to the discovery sanction assessed in paragraph 4 of the Ruling and Order dated August 24, 2005, pertaining to Claimants' Motion to Compel Responses to Document Requests, Respondents are ordered to pay the sum of One Thousand Dollars and No Cents (\$1,000.00), to Claimant. This sum shall be borne by Respondents jointly and severally;
5. The parties shall bear their respective costs, except as Fees are specifically addressed below; and
6. Any and all relief not specifically addressed herein is denied in its entirety.

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

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the events giving rise to the dispute. Accordingly, FBW is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00
Total Member Fees	= \$7,000.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,200.00 = \$1,200.00

Pre-hearing conference: April 8, 2005 1 session

Five (5) Hearing sessions @ \$1,200.00 = \$6,000.00

Hearing Dates:	October 10, 2005	2 sessions
	October 11, 2005	2 sessions
	October 12, 2005	1 session

Total Forum Fees = \$7,200.00

1. The Panel has assessed \$3,600.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$1,800.00 of the forum fees to Respondent FBW.
3. The Panel has assessed \$1,800.00 of the forum fees to Respondent Winslow.

FEE SUMMARY

1. Claimants are jointly and severally assessed and shall pay the following fees:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$3,600.00
Total Fees	= \$3,975.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$2,400.00
2. Respondent FBW is assessed and shall pay the following fees:

Member Fees	= \$7,000.00
Forum Fees	= \$1,800.00
Total Fees	= \$8,800.00
Less payments	= \$7,000.00
Balance Due NASD Dispute Resolution	= \$1,800.00
3. Respondent Winslow is assessed and shall pay the following fees:

Forum Fees	= \$1,800.00
Total Fees	= \$1,800.00
Less payments	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$1,800.00


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

ARBITRATION PANEL

Janice L. Burnham, Esq.	-	Public Arbitrator, Presiding Chairperson
Sheldon Rappaport, Esq.	-	Public Arbitrator, Panelist
William J. Kerns, Jr.	-	Non-Public Arbitrator, Panelist

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Concurring Arbitrators' Signatures


Janice L. Burnham, Esq.
Public Arbitrator, Presiding Chairperson

10/25/05
Signature Date

Sheldon Rappaport, Esq
Public Arbitrator, Panelist

Signature Date

William J. Kerns, Jr.
Non-Public Arbitrator, Panelist

Signature Date

10/27/05
Date of Service (For NASD Dispute Resolution office use only)

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Concerning Arbitrators' Signatures

Janice L. Burnham, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Sheldon Rappaport, Esq.
Sheldon Rappaport, Esq.
Public Arbitrator, Panelist

10/24/05
Signature Date

William J. Kerns, Jr.
Non-Public Arbitrator, Panelist

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Janice L. Burnham, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Sheldon Rappaport, Esq.
Public Arbitrator, Panelist

Signature Date

William J. Kerns, Jr.
William J. Kerns, Jr.
Non-Public Arbitrator, Panelist

October 25, 2005
Signature Date

Date of Service (For NASD Dispute Resolution office use only)