

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

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In the Matter of the Arbitration Between:

Stafford Reynolds v. Brown & Company Securities Corporation n/k/a J.P. Morgan Investment, LLC

Case Number: 04-07823

Hearing Site: New York, New York

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Nature of the Dispute: Customer vs. Member

**REPRESENTATION OF PARTIES**

Stafford Reynolds hereinafter referred to as "Claimant" appeared *pro se*.

Brown & Company Securities Corporation ("Brown & Co.") n/k/a J.P. Morgan Investment, LLC hereinafter referred to as Respondent: Joshua E. Friedman, Esq., Bernkopf Goodman LLP, Boston, MA.

**CASE INFORMATION**

Statement of Claim filed on or about: November 9, 2004.

Response to Answer and Motion to Dismiss filed on or about: February 18, 2005.

Amended Response to Answer and Motion to Dismiss filed on or about: March 19, 2005.

Claimant signed the Uniform Submission Agreement: November 9, 2004.

Statement of Answer and Motion to Dismiss filed by Respondent on or about: February 2, 2005.

Respondent signed the Uniform Submission Agreement: December 20, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: failure to timely execute market orders and misrepresentations. The causes of action relate to various common stocks.

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

**RELIEF REQUESTED**

Claimant requested compensatory damages in the sum of \$61,455.00 plus interest in the amount of \$32,256.25.

Respondent requested that the Claimant's claim be dismissed and an award of attorneys' fees, costs, and that all forum fees be assessed against the Claimant.

### **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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant compensatory damages in the amount of \$9,622.00.

The Panel has determined that the quality of the executions was so poor that Claimant is entitled to some relief. We so decide despite the absence of proof as to the underlying circumstances for the delays and with awareness of the difficulty encountered by Respondent in defending its position after so much time has elapsed.

As to the trades, EBWX and Onsale I, Claimant received partial adjustments from Respondent at the time of the transactions and the Panel declines to award any additional amounts. As to the other three trades, Ktel, Onsale II and Lycos, the panel has awarded 25% of the disputed amounts, i.e, \$9,622.

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	= \$ 225.00
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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 person at the time of the events giving rise to the dispute. Accordingly, Respondent is a party.

Member surcharge	= \$ 1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,700.00
Total Members fees	= \$ 3,550.00

#### **Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

July 20 and 21, 2005 adjournment requested by Claimant	= \$ Waived
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**Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted. 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:

One (1) Pre-hearing session with Panel @ \$750.00 per session	= \$	750.00
Pre-hearing conference: April 15, 2005 1 session		

Four (4) Hearing sessions @ \$750.00 per session	= \$	3,000.00
Hearing Dates: October 18, 2005 2 sessions		
October 20, 2005 2 sessions		

Total Forum Fees	= \$	3,750.00
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1. The Panel has assessed \$937.50 of the forum fees to the Claimant.
2. The Panel has assessed \$2,812.50 of the forum fees to the Respondent.

**Fee Summary**

1. Claimant Stafford Reynolds is solely liable for:		
Initial Filing Fee	= \$	225.00
Forum Fees	= \$	937.50
Total Fees	= \$	1,162.50
Less payments	= \$	975.00
Balance Due NASD Dispute Resolution	= \$	187.50
2. Respondent Brown & Co. is solely liable for:		
Member Fees	= \$	3,550.00
Forum Fees	= \$	2,812.50
Total Fees	= \$	6,362.50
Less payments	= \$	3,550.00
Balance Due NASD Dispute Resolution	= \$	2,812.50

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

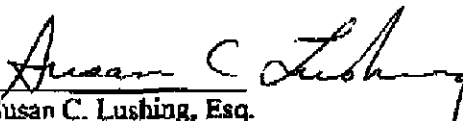
**ARBITRATION PANEL**

Susan C. Lushing, Esq.  
Howard Weitz, Esq.  
Earl S. Schwarz

- 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.

  
Susan C. Lushing, Esq.  
Public Arbitrator, Presiding Chairperson

10/24/05  
Signature Date

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Howard Weitz, Esq.  
Public Arbitrator

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

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Earl S. Schwarz  
Non-Public Arbitrator

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

NOVEMBER 4, 2005  
Date of Service (For NASD Dispute Resolution use only)

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