

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

---

In the Matter of the Arbitration Between:

Jerzy Chudy (Claimant) v. National Securities Corporation, John James Wilson, and Ludmilla Bernadic Marshall (Respondents)

Case Number: 04-08795

Hearing Site: Newark, New Jersey

---

Nature of the Dispute: Customer vs. Member and Associated Persons

**REPRESENTATION OF PARTIES**

Claimant Jerzy Chudy ("Chudy") hereinafter referred to as "Claimant": Jeffrey Chudy, Lyndhurst, NJ.

Respondent National Securities Corporation ("National") and Ludmilla Bernadic Marshall ("Marshall"): Andrew M. Heath, III, Esq., General Counsel, National Securities Corporation, New York, NY.

Respondent John James Wilson ("Wilson"): Mark Roth, Esq., Golbeck Roth, PLLC, Seattle, WA.

Respondent Ludmilla Bernadic Marshall did not enter an appearance.

**CASE INFORMATION**

Statement of Claim filed on or about: December 29, 2004.

First Amended Statement of Claim filed on or about: February 4, 2005.

Claimant signed the Uniform Submission Agreement: February 4, 2005.

Statement of Answer filed by Respondent National on or about: February 4, 2005.

Supplement to Statement of Answer filed on or about: February 17, 2005.

Respondent National signed the Uniform Submission Agreement: February 4, 2005.

Respondent Wilson did not file a Statement of Answer or a Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: failure to supervise, breach of fiduciary duty, negligence, and suitability. The causes of action relate to Flextronics Intl, Jabil Circuit, Lucent Tech, Pairgain Tech/ADC, HI/FN and Vitesse Semiconductor.

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

**RELIEF REQUESTED**

Claimant requested: \$24, 904.70 in compensatory damages.

In his Amended Statement of Claim, claimant requested punitive damages, costs, fees, and such other relief the Panel deems appropriate.

Respondent National requested that the Statement of Claim be denied in its entirety.

**OTHER ISSUES CONSIDERED AND DECIDED**

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrator the "Arbitrator" determined that Respondent Marshall has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Marshall did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and, is bound by the determination of the Arbitrator on all issues submitted.

On or about, March 18, 2005, Claimant withdrew all claims without prejudice, against Respondent Wilson.

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

1. Claimant's claims are denied 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 = \$ 125.00

**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, National is a party.

Member surcharge	= \$ 425.00
Pre-hearing process fee	= \$ 0.00
Hearing process fee	= \$ 0.00

**Forum Fees and Assessments**

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

One (1) Pre-hearing session with a sole arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: June 1, 2005 1 session	
One (1) Hearing session @ \$450.00	= \$ 450.00
Hearing Date: August 9, 2005 1 session	
<hr/>	
Total Forum Fees	= \$ 900.00

1. The Arbitrator has assessed \$300.00 of the forum fees to Claimant.
2. The Arbitrator has assessed \$300.00 of the forum fees to Respondent National.
3. The Arbitrator has assessed \$300.00 of the forum fees to Respondent Marshall.

**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. Claimant requested copy of tapes = \$ 45.00

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 125.00
Forum Fees	= \$ 300.00
<u>Administrative Fee</u>	= \$ 45.00
Total Fees	= \$ 470.00
<u>Less payments</u>	= \$ 575.00
Refund Due Claimant	= \$ 105.00
2. Respondent National is solely liable for:

Member Fees	= \$ 425.00
<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$ 725.00

<u>Less payments</u>	= \$ 425.00
Balance Due NASD Dispute Resolution	= \$ 300.00

3. Respondent Marshall is solely liable for:

<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 300.00

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

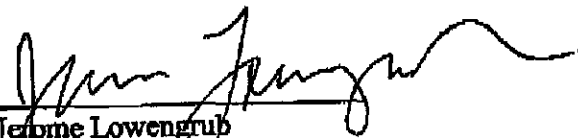
**ARBITRATION PANEL**

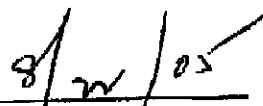
Jerome Lowengrub

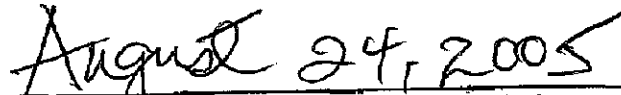
Public Arbitrator, Presiding Chairperson

**Concurring Arbitrator's Signature**

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.

  
Jerome Lowengrub  
Public Arbitrator, Presiding Chairperson

  
Signature Date

  
Date of Service (For NASD Dispute Resolution use only)