

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Christina Kozlowski (Claimant) vs. NY Life Securities, Inc., New York Life Insurance Company, New York Life Insurance & Annuity Corp., New York Life Insurance Company of Arizona, Frank J. Scarpa, and Anthony Krizman (Respondents)

Case Number: 05-0685

Hearing Site: Buffalo, New York

Nature of the Dispute: Associated Person vs. Member, Non-Members and Associated Persons.

REPRESENTATION OF PARTIES

Claimant Christina Kozlowski hereinafter referred to as "Claimant": John Benjamin Carroll, Esq., Carroll & Carroll, Lawyers, P.C. Syracuse, New York.

Respondents NY Life Securities, Inc. ("NY Life"), New York Life Insurance Company ("NY Insurance"), New York Life Insurance & Annuity Corp. ("NY Annuity"), New York Life Insurance Company of Arizona ("NY Life of Arizona"), Frank J. Scarpa ("Scarpa"), and Anthony Krizman ("Krizman") hereinafter collectively referred to as "Respondents": Joseph A. Saccomano, Esq., Jackson Lewis, White Plains, New York.

CASE INFORMATION

Statement of Claim filed on or about: February 7, 2005.
Claimant signed an undated Uniform Submission Agreement.

Joint Statement of Answer filed by Respondents on or about: April 13, 2005.
NY Life signed the Uniform Submission Agreement: April 7, 2005.
NY Insurance signed the Uniform Submission Agreement: April 7, 2005.
NY Annuity signed the Uniform Submission Agreement: April 7, 2005.
NY Life of Arizona signed the Uniform Submission Agreement: April 7, 2005.
Scarpa signed the Uniform Submission Agreement: April 8, 2005.
Krizman signed the Uniform Submission Agreement: April 7, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; negligence; libel; slander libel; slander on U5; violation of implied covenant of good faith, and emotional injury.

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

RELIEF REQUESTED

Claimant requested unspecified compensatory damages and expungement of the language contained on her form U-5.

Respondents requested dismissal of the Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

During the October 12, 2006 hearing, the parties submitted a joint motion for an order based upon a stipulation agreed to by the parties. After due deliberation by the arbitrators, the Panel determined to grant the parties' order.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be executed.

AWARD

After considering the pleadings, the testimony, evidence presented at the hearings and the parties' joint stipulation, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to the Claimant \$75,000.00 in compensatory damages for emotional injuries.
2. The Panel recommends that the reason for termination comment on Christina Kozlowski's U5 record be expunged. The Panel further recommends that the reason for termination of "other" be expunged and replaced with "voluntary." The Panel is ordering this change to Christina Kozlowski's registration records maintained by the NASD Central Registration Depository ("CRD") based on the defamatory nature of the information.
3. 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	= \$ 250.00
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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, NY Life Securities, Inc., is a party.

Member surcharge	= \$ 1,500.00
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Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

May 2, 3, and 4, 2006 adjournment by the Claimant	= Waived
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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:

One (1) Pre-hearing session with a single arbitrator @ 450.00 per session	= \$ 450.00
Pre-hearing conference: February 1, 2005 1 session	

Two (2) Pre-hearing sessions with Panel @ \$1,000.00 per session	= \$ 2,000.00
Pre-hearing conferences: September 22, 2005 1 session	
April 26, 2006 1 session	

Four (4) Hearing sessions with Panel @ \$1,000.00 per session	= \$4,000.00
Hearing Dates: October 11, 2006 2 sessions	
October 12, 2006 2 sessions	

Total Forum Fees	= \$6,450.00
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1. The Panel has assessed \$3,225.00 of the forum fees to the Claimant.
2. The Panel has assessed \$3,225.00 of the forum fees, jointly and severally, to the Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$ 3,225.00
Total Fees	= \$ 3,475.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 3,475.00

2. Respondent NY Life is solely liable for:

Member Fees	= \$ 4,450.00
Total Fees	= \$ 4,450.00
Less payments	= \$ 4,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Forum Fees	= \$ 3,225.00
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Total Fees	= \$ 3,225.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 3,225.00

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

ARBITRATION PANEL

David Buch, Esq.	-	Public Arbitrator, Presiding Chairperson
Ralph L. Halpern, Esq.	-	Public Arbitrator
Michael P. Hennigan	-	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 is which is my award.



David Buch, Esq.
Public Arbitrator, Presiding Chairperson

10/24/06
Signature Date

Ralph L. Halpern, Esq.
Public Arbitrator

Signature Date

Michael P. Hennigan
Non-Public Arbitrator

Signature Date

October 25, 2006
Date of Service (For NASD Dispute Resolution use only)

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