

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

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In the Matter of the Arbitration Between:

DeeAnn Phillips, Claimant v. Lawrence S. Jay, Respondent

Case Number: 05-01391

Hearing Site: Los Angeles, California

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Nature of the Dispute: Customer v. Associated Person

**REPRESENTATION OF PARTIES**

For Claimant:

Montgomery G. Griffin, J.D.  
Securities Arbitration Offices of  
Montgomery G. Griffin, J.D.  
Newport Beach, California

For Respondent:

Lawrence S. Jay  
In Propria Persona  
Camarillo, California

**CASE INFORMATION**

Statement of Claim filed: March 14, 2005

Claimant's Uniform Submission Agreement signed: March 3, 2005

**CASE SUMMARY**

Claimant alleged unsuitability, breach of fiduciary duty, excessive commissions, and violation of NASD and NYSE Rules, involving transactions in Ginnie Mae securities.

Respondent did not submit an Answer to the Statement of Claim.

**RELIEF REQUESTED**

In the Statement of Claim, Claimant requested \$136,585.00 in compensatory damages, unspecified punitive damages, interest from August 31, 2001 to the date paid, and costs, including attorney's fees.

At the hearing on September 27, 2005, Claimant requested \$211,252.00 in compensatory damages.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent did not file with NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the *NASD Code of Arbitration Procedure* (Code) and is bound by the determination of the Panel on all issues submitted.

On March 1, 2005, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

Upon review of the file and the representations made on behalf of the Claimant, the undersigned Panel determined that Respondent Lawrence S. Jay was 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 Code.

At the hearing on September 27, 2005, Claimant amended her request for compensatory damages from \$136,585.00 to \$211,252.00. Pursuant to Rule 10328(b) of the Code, the Panel accepted the amendment.

### **AWARD**

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

- 1) Respondent Lawrence S. Jay is liable to and shall pay Claimant the sum of \$211,252.00 in compensatory damages.
- 2) Respondent Lawrence S. Jay is liable to and shall pay Claimant the sum of \$100,000.00 in punitive damages.
- 3) 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

#### **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:

Two (2) Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 2,250.00

Pre-hearing conference: July 13, 2005 1 session  
July 21, 2005 1 session

One (1) Hearing sessions @ \$1,125.00/session = \$ 1,125.00

Hearings: September 27, 2005 1 session

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**Total Forum Fees = \$ 3,375.00**

The Panel assessed \$3,375.00 of the forum fees to Respondent Lawrence S. Jay.

### **Fee Summary**

1. Claimant DeeAnn Phillips is charged with the following fees and costs:

Initial Filing Fee = \$ 300.00  
Less payments = \$(1,425.00)  
**Refund Due Claimant DeeAnn Phillips = \$(1,125.00)**

2. Respondent Lawrence S. Jay is charged with the following fees and costs:

Forum Fees = \$ 3,375.00  
Less payments = \$ (0.00)  
**Balance Due NASD Dispute Resolution = \$ 3,375.00**

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**

**Victoria E. Johnson**

- **Public Arbitrator, Presiding Chair**

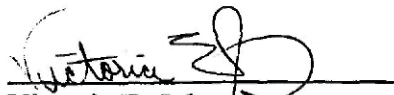
**Michael R. Mitchell**

- **Public Arbitrator**

**Jeffrey E. Skogsbergh**

- **Non-Public Arbitrator**

**Concurring Arbitrators' Signatures**

  
Victoria E. Johnson  
Chair, Public Arbitrator

27 September 2005  
Signature Date

\_\_\_\_\_  
Michael R. Mitchell  
Public Arbitrator

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

\_\_\_\_\_  
Jeffrey E. Skogsbergh  
Non-Public Arbitrator

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

9/27/05  
Date of Service

**ARBITRATION PANEL**

<b>Victoria E. Johnson</b>	-	<b>Public Arbitrator, Presiding Chair</b>
<b>Michael R. Mitchell</b>	-	<b>Public Arbitrator</b>
<b>Jeffrey E. Skogsbergh</b>	-	<b>Non-Public Arbitrator</b>

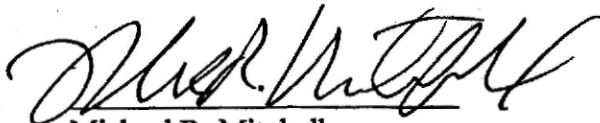
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Victoria E. Johnson  
Chair, Public Arbitrator

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Signature Date



Michael R. Mitchell  
Public Arbitrator

9-27-05

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Signature Date

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Jeffrey E. Skogsbergh  
Non-Public Arbitrator

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Signature Date

9/27/05

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Date of Service

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