

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Harold Sandler and Dorothy Sandler JTWROS (Claimants) v. Dupont Securities Group Inc., Dupont Direct Financial Holdings, Inc., Marquis Financial Services, Inc. as successor in interest to Dupont Securities Group, Inc., Stanislav Kaminsky, David Wayne Parsons and Carol Ann Ferrotta (Respondents)

Case Number: 05-02422

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimants Harold Sandler and Dorothy Sandler hereinafter collectively referred to as "Claimants": George L. Mahr, III, Esq., Mahr and Mahr, LLC, Madison, NJ.

Respondent Dupont Securities Group, Inc. hereinafter referred to as "Dupont" did not enter an appearance in this matter.

Respondent Dupont Direct Financial Holdings, Inc. hereinafter referred to as "Dupont Direct" did not enter an appearance in this matter.

Respondent Marquis Financial Services, Inc. ("Marquis"), hereinafter referred to as "Marquis": Martin P. Unger, Esq., Certilman Balin Adler & Hyman, LLP, East Meadow, NY.

Respondent Stanislav Kaminsky hereinafter referred to as "Kaminsky" did not enter an appearance in this matter.

Respondent David W. Parsons hereinafter referred to as "Parsons" did not enter an appearance in this matter.

Respondent Carol A. Ferrotta hereinafter referred to as "Ferrotta": Brian Neville, Esq., Law Offices of Brian Neville, LLC, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: April 22, 2005.

Claimants signed the Uniform Submission Agreement: April 22, 2005.

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

Respondent Dupont Direct did not file a Statement of Answer or submit a Uniform

Submission Agreement.

Answer and Motion to Dismiss filed by Respondent Marquis on or about: September 23, 2005.

Respondent Marquis signed the Uniform Submission Agreement: September 23, 2005.

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

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

Motion to Dismiss and Statement of Answer filed by Respondent Ferrotta on or about: October 14, 2005.

Respondent Ferrotta signed the Uniform Submission Agreement: October 27, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: suitability, intentional concealment, failure to disclose material facts, excessive trading, failure to supervise, breach of fiduciary duty, violation of Section 10(b) of the Securities and Exchange Act, control person liability, negligence and gross negligence. The causes of action relate to various securities including Dupont stock.

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

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$350,000.00 plus interest, costs, NASD filing and forum fees, punitive damages in an amount to be determined at hearing, attorneys' fees and costs, expert fees and costs and such further relief as the Arbitrators may deem just and equitable.

Respondent Marquis requested the dismissal of the claims against Marquis with prejudice with Marquis' costs assessed against Claimants.

Respondent Ferrotta requested the dismissal of the Statement of Claim and such other and further relief, as the Panel deems just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondents Dupont, Kaminsky and Parsons have 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

Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents Dupont, Kaminsky and Parsons did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code are bound by the determination of the Panel on all issues submitted.

Respondent Dupont Direct is not a member of NASD and is not subject to NASD's jurisdiction.

By letter dated August 2, 2005, Claimants withdrew, without prejudice, their claims against Respondent Dupont Direct Financial Holdings, Inc.

By letter dated April 4, 2006 Claimants withdrew their claims against Marquis and Marquis requested the expungement of its CRD record.

By letter dated June 12, 2006, Claimants withdrew, without prejudice, their claims against Respondent Carol Ann Ferrotta.

At the hearing, Claimants moved to amend their claim to include a claim for unauthorized trading. After due deliberation, the Panel granted the Motion.

Claimants 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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Dupont, Kaminsky, and Parsons are liable for and shall pay to Claimants compensatory damages in the amount of \$259,450.00.
2. Respondents Dupont, Kaminsky, and Parsons are liable for and shall pay to Claimants costs in the amount of \$300.00 for the filing fee previously paid to NASD Dispute Resolution.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Marquis Financial Services, Inc.'s registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Marquis Financial Services, Inc. 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 factually impossible or clearly erroneous.

4. Any and all relief not specifically addressed herein, including punitive damages, 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 = \$ 300.00

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 persons at the time of the events giving rise to the dispute. Accordingly, Marquis Financial Services, Inc. is a party.

Member surcharge = \$1,700.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,750.00

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:

Three (3) Pre-hearing sessions with Panel @ \$1,125.00 per session = \$3,375.00

Pre-hearing conferences: December 20, 2005 1 session

March 29, 2006 1 session

May 19, 2006 1 session

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

Hearing Date: June 15, 2006 1 session

Total Forum Fees = \$4,500.00

1. The Panel has assessed \$4,500.00 of the forum fees jointly and severally to Respondents Dupont, Kaminsky, and Parsons.

Fee Summary

1. Claimants are solely liable for:

Initial Filing Fee = \$ 300.00

Total Fees	= \$ 300.00
<u>Less payments</u>	<u>= \$1,425.00</u>
Refund Due Claimants	= \$1,125.00

As stated in the "Award" section above, Respondents Dupont, Kaminsky, and Parsons shall reimburse Claimants for the filing fee previously paid to NASD Dispute Resolution.

2. Respondent Marquis is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Dupont, Kaminsky, and Parsons are jointly and severally liable for:

Forum Fees	= \$4,500.00
Total Fees	= \$4,500.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$4,500.00


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

ARBITRATION PANEL

Robert T. Kelly, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Andy W. Morgan, Esq.	-	Public Arbitrator
Alice Holly Oshins	-	Non-Public Arbitrator

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.

Concurring Arbitrators' Signatures



Robert T. Kelly, Jr., Esq.
Public Arbitrator, Presiding Chairperson

8-9-06

Signature Date

Andy W. Morgan, Esq.
Public Arbitrator

Signature Date

Alice Holly Oshins
Non-Public Arbitrator

Signature Date

August 10, 2006

Date of Service (For NASD Dispute Resolution use only)

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Signature Date



Andy W. Morgan, Esq.
Public Arbitrator

8/8/06

Signature Date

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Non-Public Arbitrator

Signature Date

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