

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Rogelio Sanchez and Graciela Sanchez, Claimants v. Walnut Street Securities, Inc. and
Reginald E. Fennell, Respondents

Case Number: 05-02619

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants Rogelio Sanchez and Graciela Sanchez:

H. Thomas Fehn, Esq.
Fields, Fehn & Sherwin
Los Angeles, California

For Respondents Walnut Street Securities, Inc. and
Reginald E. Fennell:

Robert P. Lesko, Esq.
McCarter & English, LLC
Newark, New Jersey

CASE INFORMATION

Statement of Claim filed: May 13, 2005

Claimants' Joint Uniform Submission Agreement signed: May 20, 2005

Joint Statement of Answer filed by Respondents: July 20, 2005

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability, misrepresentation, negligence, and breach of fiduciary duty. Claimants' allegations involved the use of margin and the purchase of unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested \$112,000.00 in compensatory damages, return on their portfolio in accordance with the well managed account theory, unspecified punitive damages, and costs, including attorney's fees.

Respondents requested dismissal of Claimant's Statement of Claim in its entirety, expungement of this matter from Respondent Reginald Fennell's registration records, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Walnut Street Securities, Inc. and Reginald Fennell did not file properly executed submission agreements with NASD Dispute Resolution; however, said Respondents are required to submit to arbitration and, having answered the claim and having appeared and testified at the hearing, said Respondents are bound by the determination of the Panel on all issues submitted.

On May 10, 2006, Respondents filed a Motion to Dismiss Claimants' Ineligible and Time Barred Claims, or, in the Alternative, Pre-Hearing Brief. The Panel heard oral argument from the parties regarding Respondents' motion at the outset of the hearing and subsequently denied the motion. Respondents' renewed their motion at the close of Claimants' case in chief, and the Panel again denied the motion.

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

- 1) Claimants' claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) 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 received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee

= \$300.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Walnut Street Securities, Inc. is a party, and the following fees are assessed:

Member Surcharge	= \$1,700.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$2,750.00
Total Member Fees	= \$5,200.00

Forum Fees and Assessments

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

One (1) pre-hearing conference session with a single arbitrator @ \$450.00/session			= \$ 450.00
Pre-hearing conference:	March 22, 2006	1 session	
One (1) pre-hearing conference session with the Panel @ \$1,125.00/session			= \$1,125.00
Pre-hearing conference:	September 9, 2005	1 session	
Three (3) hearing sessions @ \$3,375.00/session			= \$3,375.00
Hearings:	May 23, 2006	3 sessions	
Total Forum Fees			= \$4,950.00

The Panel assessed \$4,950.00 of the forum fees to Walnut Street Securities, Inc.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Less payments	= \$(1,425.00)
Refund Due Claimants	= \$(1,125.00)

2. Respondent Walnut Street Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 4,950.00
Total Fees	= \$10,150.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 4,950.00

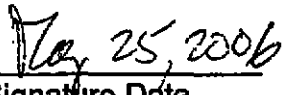
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Robert F. Saint-Aubin	-	Public Arbitrator, Presiding Chair
Michael Charles Doland	-	Public Arbitrator
Paul F. Meyer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Robert F. Saint-Aubin
Chair, Public Arbitrator

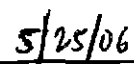

Signature Date

Michael Charles Doland
Public Arbitrator

Signature Date

Paul F. Meyer
Non-Public Arbitrator

Signature Date


Date of Service

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Michael Charles Doland
Paul F. Meyer

- **Public Arbitrator, Presiding Chair**
- **Public Arbitrator**
- **Non-Public Arbitrator**

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Chair, Public Arbitrator

Signature Date



Michael Charles Doland
Public Arbitrator

5/25/06

Signature Date

Paul F. Meyer
Non-Public Arbitrator

Signature Date

5/25/06

Date of Service

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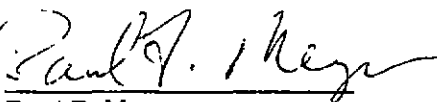
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