

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Laura S. Fernandez (Claimant) vs. National Planning Corp., Securities America, Inc.,
ING Financial Partners, Inc. f/k/a Locust Street Securities, Inc., Paul J. Tolley, David O.
Spinar, Danny D. Horn, Kevin Michael Laraia, and Karl Stephen Lindberg
(Respondents)

Case Number: 05-05078

Hearing Site: Cleveland, Ohio

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

REPRESENTATION OF PARTIES

Claimant Laura S. Fernandez hereinafter referred to as "Claimant": Brian P. Biggins,
Esq., and Douglas A. Kutsko, Esq., Brian P. Biggins & Associates Co., L.P.A., Rocky
River, OH.

Respondents National Planning Corp. ("National Planning") and Paul J. Tolley ("Tolley"):
Joseph Simms, Esq., Michael N. Ungar, Esq., and Kenneth A. Bravo, Esq., Ulmer
Berne LLP, Cleveland, OH.

Respondents Securities America, Inc. ("Securities America") and David O. Spinar
("Spinar"): Joseph Dehner, Esq., Frost Brown Todd LLC, Cincinnati, OH.

Respondent ING Financial Partners, Inc. f/k/a Locust Street Securities, Inc. ("ING
Financial"): John P. Thomas, Esq., and Andrew J. Dorman, Esq., Janik & Dorman,
L.L.P., Cleveland, OH.

Respondent Danny D. Horn ("Horn"): Richard M. Bain, Esq., Buckley King, Cleveland, ..
OH.

Respondent Kevin Michael Laraia ("Laraia") did not enter an appearance in this matter.

Respondent Karl Stephen Lindberg ("Lindberg") did not enter an appearance in this
matter.

CASE INFORMATION

Statement of Claim filed on or about: September 27, 2005.

Claimant's Motion for Leave to Amend Statement of Claim and Amended Statement of
Claim filed on or about: March 28, 2006.

Claimant's Motion for Leave to Re-Amend Statement of Claim and Second Amended Statement of Claim filed on or about: May 17, 2006.

Claimant's Opposition to National Planning and Tolley's Motion to Dismiss filed on or about: December 22, 2005.

Claimant's Reply Brief in Further Opposition to National Planning and Tolley's Motion to Dismiss filed on or about: January 20, 2006.

Claimant signed the Uniform Submission Agreement: June 24, 2005.

Joint Statement of Answer and Motion to Dismiss filed by National Planning and Tolley on or about: November 22, 2005.

Reply Brief in Support of Motion to Dismiss filed by National Planning and Tolley on or about: January 6, 2006.

National Planning did not submit a Uniform Submission Agreement.

Tolley did not submit a Uniform Submission Agreement.

Statement of Answer filed by Securities America on or about: December 28, 2005.

Securities America signed the Uniform Submission Agreement: October 11, 2005.

Statement of Answer and Motion to Dismiss filed by ING Financial on or about: July 31, 2006.

Ing Financial did not submit a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: negligence, breach of contract, breach of fiduciary duty, inherent agency power, violation of NASD Conduct Rules, failure to supervise, suitability, omissions, negligent misrepresentations, and fraud. The causes of action relate to unspecified securities.

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

Unless specifically admitted in its Answer, Respondent Securities America denied the allegations made in the Statement of Claim.

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

RELIEF REQUESTED

In her Statement of Claim, Amended Statement of Claim, and Second Amended Statement of Claim, Claimant requested compensatory damages in the amount of \$419,950.00, punitive damages, attorneys' fees, costs, lost interest, and any other

remedy this Panel deems just and equitable.

Respondents National Planning and Tolley requested dismissal of the Statement of Claim in its entirety, expungement of this matter from Respondent Tolley's CRD record, attorneys' fees, costs, forum fees, and expenses.

Respondent Securities America requested dismissal of the Statement of Claim in its entirety.

Respondent ING Financial requested dismissal of the Statement of Claim and Amended Statements of Claims in their entirety, costs, expenses, attorneys' fees, forum fees, and expungement of this matter from ING Financial's CRD record.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents National Planning, ING Financial, Tolley, Horn, Spinar, Laraia, and Lindberg did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code, and are bound by the determination of the Panel on all issues submitted.

By letter dated December 22, 2005 Claimant notified NASD Dispute Resolution that Claimant dismissed with prejudice all claims against Respondent Spinar.

By letter dated January 3, 2006 Respondent Horn filed with NASD Dispute Resolution a Suggestion of Bankruptcy and notified NASD Dispute Resolution that Respondent Horn filed a Voluntary Petition for Relief under Chapter 7 of the United States Bankruptcy Code.

By letter dated February 8, 2006 Claimant notified NASD Dispute Resolution that pursuant to the Bankruptcy Stay of Respondent Horn, Claimant dismissed without prejudice all claims against Respondent Horn.

By letter dated February 8, 2006 Claimant notified NASD Dispute Resolution that Claimant dismissed with prejudice all claims against Respondent Tolley.

By letter dated May 17, 2006 Claimant notified NASD Dispute Resolution that Claimant dismissed with prejudice all claims against Respondent Laraia and Respondent Lindberg.

By letter dated October 16, 2006 Claimant notified NASD Dispute Resolution that Claimant dismissed with prejudice all claims against Respondent Securities America and Respondent ING Financial.

During the hearing, Respondent National Planning Moved to Dismiss Claimant's claims. After due deliberation, the Panel denied the Motion to Dismiss.

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.

FINDINGS OF FACT

1. The evidence presented at the hearing indicated that Claimant had entrusted funds into the hands of Jorge Fernandez, a registered associate, and that these funds were subsequently lost or stolen. However, from the evidence, it cannot be determined how or when this occurred.
2. The evidence presented did show that while Jorge Fernandez was associated with Respondent National Planning, he provided correspondence to Claimant, and took actions on her behalf which served to continue and/or conceal the fraud perpetrated on Claimant. Furthermore, when National Planning was made aware of these facts, the evidence presented showed that National Planning did not take sufficient steps (if any were taken) to investigate Claimant's complaint. In this negligence, National Planning failed to protect the interests of their client, which was something Claimant had the right to expect.

AWARD

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

1. Respondent National Planning is liable for and shall pay to Claimant nominal compensatory damages in the amount of \$1.00.
2. Respondent National Planning is liable for and shall pay to Claimant punitive damages in the amount of \$10,000.00 plus interest at the rate of 4% per annum, beginning thirty days from the date of this Award until the date the Award is paid in full. The Panel awards punitive damages pursuant to 115 S. Ct. 1212.
3. Respondent National Planning is liable for and shall pay to Respondent Paul J. Tolley \$888.20 as reimbursement for Respondent Tolley's costs and expenses incurred as a witness in this matter.
4. 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 = \$ 300.00

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 person at the time of the events giving rise to the dispute. Accordingly, National Planning Corp., Securities America, Inc., and ING Financial Partners, Inc. f/k/a Locust Street Securities, Inc. are parties.

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. 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:

Four (4) Pre-hearing sessions with the Panel @ \$1,125.00 = \$ 4,500.00

Pre-hearing conferences:	March 13, 2006	1 session
	March 23, 2006	1 session
	October 16, 2006	1 session
	October 30, 2006	1 session

Five (5) Hearing sessions with the Panel @ \$1,125.00 = \$ 5,625.00

Hearing Dates:	November 8, 2006	2 sessions
	November 9, 2006	2 sessions
	November 10, 2006	1 session

Total Forum Fees = \$ 10,125.00

1. Regarding the March 13, 2006 pre-hearing conference:
 - a. The Panel has assessed \$375.00 of the forum fees to Claimant.
 - b. The Panel has assessed \$375.00 of the forum fees to Respondent Securities America.
 - c. The Panel has assessed \$375.00 of the forum fees to Respondent National Planning.
2. Regarding the remaining forum fees:
 - a. The Panel has assessed \$9,000.00 of the forum fees to Respondent National Planning.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$	300.00
Forum Fees	= \$	375.00
Total Fees	= \$	675.00
Less payments	= \$	1,425.00
Refund Due Claimant	= \$	750.00

2. Respondent National Planning is solely liable for:

Member Fees	= \$	5,200.00
Forum Fees	= \$	9,375.00
Total Fees	= \$	14,575.00
Less payments	= \$	5,950.00
Balance Due NASD Dispute Resolution	= \$	8,625.00

3. Respondent Securities America is solely liable for:

Member Fees	= \$	5,200.00
Forum Fees	= \$	375.00
Total Fees	= \$	5,575.00
Less payments	= \$	4,450.00
Balance Due NASD Dispute Resolution	= \$	1,125.00

4. Respondent ING Financial is solely liable for:

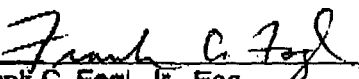
Member Fees	= \$	5,200.00
Total Fees	= \$	5,200.00
Less payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	5,200.00

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

ARBITRATION PANEL

Frank C. Fogl, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Edward F. Siegel, Esq.	-	Public Arbitrator
Kathleen T. SuSong	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Frank C. Fogl, Jr., Esq.
Public Arbitrator, Presiding Chairperson

11 - 30 - 06
Signature Date

Edward F. Siegel, Esq.
Public Arbitrator

Signature Date

Kathleen T. SuSong
Non-Public Arbitrator

Signature Date

November 30, 2006

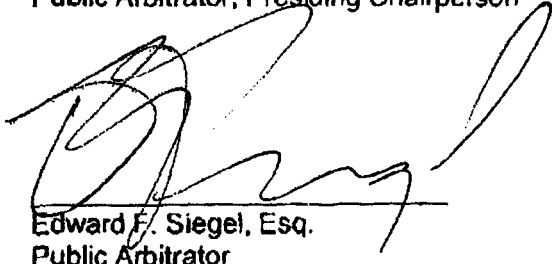
Date of Service (For NASD Dispute Resolution use only)

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Edward F. Siegel, Esq.
Public Arbitrator

Signature Date

11/30/06

Signature Date

Kathleen T. SuSong
Non-Public Arbitrator

Signature Date

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