

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Sherry Kettering, Claimant v. Cheryl D. Jimerson, InvestPrivate, Inc., Westrock Advisors, Inc., Scott L. Mathis, and Donald Geraghty, Respondents

Case Number: 05-05146

Hearing Site: San Francisco, California

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

REPRESENTATION OF PARTIES

For Claimant:

Brett A. Alcala, Esq.
Alcala Law Firm
San Mateo, California

For Respondent Cheryl D. Jimerson
("Jimerson"):

in propria persona
Sayville, New York

For Respondent Westrock Advisors, Inc.
("Westrock"):

Robert A. Giacovas, Esq.
Lazare Potter Giacovas &
Kranjac LLP
New York, New York

For Respondent InvestPrivate, Inc..
("InvestPrivate"), Scott L. Mathis ("Mathis"),
and Donald Geraghty ("Geraghty"):

Eric S. Hutner, Esq.
HutnerKlarish LLP
New York, New York

CASE INFORMATION

Initial Statement of Claim dated: October 26, 2005

Claimant's Uniform Submission Agreement signed: September 26, 2005 and February 9, 2006

Statement of Answer filed by Respondent Jimerson: December 31, 2005

Statement of Answer and Motion for More Definite Statement filed by Respondent InvestPrivate: December 28, 2005

Respondent InvestPrivate's Uniform Submission Agreement signed: November 18, 2005

First Amended Statement of Claim filed: February 21, 2006

Joint Statement of Answer to the First Amended Statement of Claim, Motion to Dismiss, and Motion to Strike filed by Respondents InvestPrivate, Mathis, and Geraghty: April 14, 2006

Respondent Mathis' Uniform Submission Agreement signed: March 12, 2006

Respondent Geraghty's Uniform Submission Agreement signed: March 13, 2006

CASE SUMMARY

In her Initial Statement of Claim, Claimant alleged failure to supervise, respondeat superior, breach of fiduciary duty, breach of contract, negligence, negligent misrepresentation, breach of the implied covenant of good faith and fair dealing, unsuitability, unauthorized trading, and violation of state securities laws, NASD rules of fair practice, and NYSE rules against Respondents Cheryl D. Jimerson, InvestPrivate, Inc., and Westrock Advisors, Inc. Claimant's allegations involved various unspecified securities, including, but not limited to, Class B shares of mutual funds.

Respondent Jimerson denied the allegations of wrongdoing set forth in Claimant's Statement of Claim.

Respondent InvestPrivate denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

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

On January 31, 2006, Claimant dismissed Respondent Westrock from this arbitration matter with prejudice as a result of a settlement agreement.

In her First Amended Statement of Claim, Claimant added Respondents Mathis and Geraghty.

Respondents InvestPrivate, Mathis, and Geraghty denied the allegations of wrongdoing set forth in Claimant's First Amended Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested up to \$100,000.00 in compensatory damages and punitive damages, interest, and costs, including attorney's fees.

Respondent Jimerson did not specify relief requested.

Respondent InvestPrivate, Mathis, and Geraghty requested dismissal of Claimant's Statements of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

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

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

On January 31, 2006, Claimant dismissed Respondent Westrock from this arbitration matter with prejudice as a result of a settlement agreement.

On April 14, 2006, Respondents Mathis and Geraghty filed a Motion to Dismiss, or in the alternative, a Motion to Strike. On April 26, 2006, Claimant filed an opposition to these two motions, which also included an opposition to the Motion for a More Definite Statement that Respondent InvestPrivate filed with its Answer to the Initial Statement of Claim. On May 5, 2006, Respondents InvestPrivate, Mathis, and Geraghty filed a Reply in support of their above-referenced motions. On May 24, 2006, the Panel conducted a telephonic conference with the parties to hear oral argument on these motions. After due deliberation, the Panel (1) denied Respondents Mathis and Geraghty's Motion to Dismiss and Motion to Strike and (2) granted Respondent InvestPrivate's Motion for a More Definite Statement by ordering Claimant to provide a statement listing all securities transactions that Claimant alleged were unauthorized.

On September 15, 2006, Claimant dismissed InvestPrivate, Mathis, and Geraghty with prejudice from this arbitration matter after reaching a settlement agreement with InvestPrivate.

Upon review of the file and the representations made by and on behalf of Claimant, the undersigned Panel determined that Respondent Jimerson was properly served with the Statements 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 NASD Code of Arbitration Procedure (the "Code").

At the hearing, Claimant provided the Panel with a written request from Mathis and Geraghty for expungement of this matter from their registration records maintained by NASD's Central Registration Depository ("CRD"). Claimant did not oppose. After due deliberation, the Panel denied the expungement request.

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) Respondent Jimerson is liable to and shall pay Claimant the sum of \$101,376.00 in compensatory damages.
- 2) Respondent Jimerson is liable to and shall pay Claimant interest at the rate of 5% per annum on \$101,376.00 from October 26, 2005, until the date compensatory damages are paid in full to Claimant.
- 3) Respondent Jimerson is liable to and shall pay Claimant the sum of \$33,378.00 in attorney's fees.
- 4) Respondent Jimerson is liable to and shall pay Claimant the sum of \$1,555.00 as reimbursement for costs.
- 5) Respondents Jimerson is liable to and shall pay Claimant the sum of \$225.00 as reimbursement for filing fees.
- 6) Respondents Mathis and Geraghty's request for expungement of this matter from their registration records maintained by NASD's Central Registration Depository ("CRD") is denied.
- 7) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure, 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	= \$ 225.00
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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 Westrock is a party and the following fees are assessed:

<u>Member Surcharge</u>	= \$ 1,100.00
Total Member Fees	= \$ 1,100.00

The member firm InvestPrivate is a party and the following fees are assessed

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 1,700.00</u>
Total Member Fees	= \$ 3,550.00

Forum Fees and Assessments

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery-related motion decided on the papers. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

(1) Decisions on discovery-related motions on the papers with one arbitrator @ \$200.00/motion	= \$ 200.00
Claimant submitted one discovery-related motion	

(2) Pre-hearing conference sessions with the Panel @ \$750.00/session	= \$ 1,500.00
Pre-hearing conferences: April 4, 2006	1 session
May 24, 2006	1 session

(2) Hearing sessions @ \$750.00/session	= \$ 1,500.00
Hearings: October 18, 2006	2 sessions

Total Forum Fees	= \$ 3,200.00
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1. The Panel assessed \$1,700.00 of the forum fees jointly and severally to Respondents Jimerson, InvestPrivate, Mathis and Geraghty.
2. The Panel assessed \$1,500.00 of the forum fees to Respondent Jimerson.

Fee Summary

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

Initial Filing Fee	= \$ 225.00
<u>Less payments</u>	<u>= \$ (975.00)</u>
Refund Due Claimant	= \$ (750.00)
2. Respondents Jimerson, InvestPrivate, Inc., Mathis, and Geraghty are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,700.00
<u>Less payments</u>	<u>= \$ (0.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,700.00
3. Respondent Jimerson is charged solely with the following fees and costs:

Forum Fees	= \$ 1,500.00
<u>Less payments</u>	<u>= \$ (0.00)</u>
Balance Due NASD Dispute Resolution	= \$ 1,500.00
4. Respondent InvestPrivate is charged with the following fees and costs:

Member Fees	= \$ 3,550.00
<u>Less payments</u>	<u>= \$(3,550.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00
5. Respondent Westrock is charged with the following fees and costs:

Member Fees	= \$ 1,100.00
<u>Less payments</u>	<u>= \$(1,100.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

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.

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ARBITRATION PANEL

Dean J. Dietrich	-	Public Arbitrator, Presiding Chair
Douglas W. Oldfield	-	Public Arbitrator
George C. Balling	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Dean J. Dietrich
Chair, Public Arbitrator

Signature Date



Douglas W. Oldfield
Public Arbitrator

10/24/06

Signature Date

George C. Balling
Non-Public Arbitrator

Signature Date

10/24/05

Date of Service

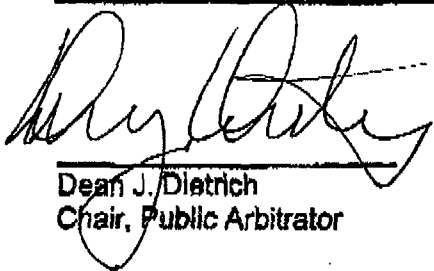
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10/23/06
Signature Date

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Public Arbitrator

Signature Date

George C. Balling
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10/24/05
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Signature Date

10/24/05
Date of Service