
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
James G. Stahl

Case Number: 05-05240

Name of the Respondent
Ferris Baker Watts, Inc.

Hearing Site: Baltimore, Maryland

Nature of the Dispute: Associated Person vs. Member.

REPRESENTATION OF PARTIES

For James G. Stahl, hereinafter referred to as "Claimant": Edward C. Crossland, Esq., Crossland & Speis, LLC, Cumberland, Maryland.

For Ferris Baker Watts, Inc. ("FBW"), hereinafter referred to as "Respondent": Dana S. Gloor, Esq., Ferris Baker Watts, Inc., Baltimore, Maryland.

CASE INFORMATION

Statement of Claim filed on or about: October 11, 2005.

Claimant signed the Uniform Submission Agreement: October 7, 2005.

Statement of Answer filed by Respondent on or about: January 3, 2006.

Respondent signed the Uniform Submission Agreement: January 3, 2006.

Motion to Dismiss filed by Respondent on or about: May 1, 2006.

Response to Motion to Dismiss filed by Claimant on or about: May 22, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: 1) Form U-5 negligence; 2) Form U-5 defamation, slander and libel; and, 3) compensation. The causes of action relate to Respondent's filing an alleged incorrect NASD Central Registration Depository (the "CRD") Form U-5.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$800,000.00, punitive damages in the amount of \$100,000.00, a change to his NASD CRD Form U-5 and an accounting.

Respondent requested that an award be entered in its favor, that all arbitration fees be assessed

against Claimant, plus an award of costs, expenses and such other and further relief as this Panel deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

On or about June 19, 2006, the Panel issued an Order on Respondent's Motion to Dismiss. The Panel stated that Count II (form U-5 defamation, slander and libel) is barred by the applicable Maryland statute of limitations. Accordingly, Count II of the Statement of Claim is dismissed, with prejudice. Count I (form U-5 – negligence) and Count III (compensation) are denied, without prejudice, for renewal at the final hearing for this matter.

On October 18, 2006, the Panel ordered the record of this matter to remain open pending Respondent's submission, no later than November 1, 2006, of an amended reason for termination of Claimant's employment. Respondent's submission was received on November 1, 2006 and, thereafter, on November 7, 2006, the Panel met in a deliberation session to determine the final outcome of this matter.

The parties have agreed that the Award in this matter may be entered in counterpart copies or that a signed handwritten Award may be entered.

AWARD

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

Respondent is found liable for filing an inaccurate Form U-5.

The Panel recommends the expungement of Claimant's NASD Form U-5 registration record maintained by the NASD CRD as to the reason for termination comment which now states "posted communication concerning securities on an internet message board without the knowledge or approval of the firm", filed by Ferris, Baker Watts Inc. on October 11, 2002. The reason for termination comment should be changed to say "posted an anonymous communication concerning a public company with which the employee was then involved in litigation on an internet message board. Although the conduct did not violate a specific firm policy in place at the time, the firm determined not to continue its association with the employee", with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Claimant must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

The Panel denies any award of compensatory damages.

Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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	= \$ 375.00
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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, Respondent is a party to this dispute and was a member of NASD at the time the following fees were assessed:

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$ 4,000.00</u>
Total Member Fees	= \$ 7,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed in this matter.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No cancellation fees were assessed in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred during this proceeding.

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:

One (1) Pre-hearing session with a single Arbitrator @450.00		
Pre-hearing conference: September 29, 2006	1 session	= \$ 450.00

Two (2) Pre-hearing sessions with the Panel @ \$1,200.00		= \$2,400.00
Pre-hearing conferences: April 24, 2006	1 session	
June 2, 2006	1 session	

Four (4) Hearing sessions with the Panel @ \$1,200.00		= \$4,800.00
Hearing Dates: October 16, 2006	2 sessions	
October 17, 2006	2 sessions	

Total Forum Fees		= \$7,650.00
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The Panel has assessed \$3,825.00 of the forum fees to Claimant.
The Panel has assessed \$3,825.00 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 3,825.00
Total Fees	= \$ 4,200.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 2,625.00

Respondent is solely liable for:

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 3,825.00
Total Fees	= \$ 10,825.00
Less payments	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 3,825.00

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

ARBITRATION PANEL

Jay Lawrence Witkin, Esq.	-	Public Arbitrator, Presiding Chairperson
Matthew P. Fink, Esq.	-	Public Arbitrator
Bonnie Dale King-Rose	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Jay Lawrence Witkin, Esq.
Public Arbitrator, Presiding Chairperson

11/10/06
Signature Date

/s/
Matthew P. Fink, Esq.
Public Arbitrator

11/10/06
Signature Date

/s/
Bonnie Dale King-Rose
Non-Public Arbitrator

11/10/06
Signature Date

11/10/06
Date of Service (For NASD Dispute Resolution office use only)

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Concurring Arbitrators' Signatures



Jay Lawrence Witkin, Esq.
Public Arbitrator, Presiding Chairperson

November 10, 2006
Signature Date

Matthew P. Fink, Esq.
Public Arbitrator

Signature Date

Bonnie Dale King-Rose
Non-Public Arbitrator

Signature Date

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Concurring Arbitrators' Signatures

Jay Lawrence Witkin, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Matthew P. Fink

Matthew P. Fink, Esq.
Public Arbitrator

Nov 19, 2006

Signature Date

Bonnie Dale King-Rose
Non-Public Arbitrator

Signature Date

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Jay Lawrence Witkin, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Matthew P. Fink, Esq.
Public Arbitrator

Signature Date

Bonnie Dale King-Rose
Non-Public Arbitrator

11/10/06
Signature Date

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