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**Stipulated Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Name of the Claimant

Raymond James Financial Services, Inc.

Case Number: 06-00481

Names of the Respondent

Ronnie W. Flint

Hearing Site: Boca Raton, Florida

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Nature of the Dispute: Member vs. Associated Person.

**REPRESENTATION OF PARTIES**

For Raymond James Financial Services, Inc., hereinafter referred to as "Claimant": Jonathan E. Perlman, Esq., Genovese Joblove & Battista, P.A., Miami, Florida.

Respondent Ronnie W. Flint ("Flint") appeared pro-se.

**CASE INFORMATION**

Statement of Claim filed on or about: January 30, 2006.

Claimant signed the Uniform Submission Agreement: January 25, 2006.

Respondent did not file a Statement of Answer.

Respondent did not file an executed Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: 1) constructive trust; 2) indemnification; and 3) breach of contract. The causes of action relate to Respondent's alleged embezzlement and misappropriation of funds from his client's (the "Client") account while Respondent was employed by Claimant.

**RELIEF REQUESTED**

Claimant requested the following: 1) compensatory damages of \$359,392.50, plus any other amounts incurred by Claimant with respect to the Client or her account; 2) an award declaring that a constructive trust is imposed upon all of Respondent's property enhanced or purchased with the misappropriated funds, including, but not limited to, the properties located at 973 NW Pine Lake Drive, Stuart, Florida 34994, and the property in Costa Rica located 100 meters north on Blvd. El Bosque from the intersection of Blvd. El Bosque and Calle Hermosa en Playa Hermosa; 3) an award enjoining Respondent from selling, transferring, or materially altering properties purchased or improved with the misappropriated funds; 4) an award in favor of Claimant for all damages suffered by Claimant as a direct and proximate result of Respondent's breach of contract; and 5) an award

against Respondent in the amount of all costs, reasonable internal and external attorneys' fees and all expenses for this arbitration.

Respondent did not delineate a relief request.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having participated in the settlement and requested entry by the Panel of a Stipulated Award, is bound by the determination of the Panel on all issues submitted.

On October 17, 2006, the parties filed with NASD Dispute Resolution a notice of settlement and a proposed Stipulated Award for review and approval by the Panel.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies.

### **AWARD**

After considering the pleadings and the proposed Stipulated Award submitted by the parties, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- (1) The NASD has jurisdiction over this matter under Rule 10101 of the Code because Claimant is a member organization of NASD and Respondent is a person formerly associated with a member.
- (2) On January 30, 2006, Claimant filed its Statement of Claim for Constructive Trust, Indemnification and Breach of Contract against Respondent for losses suffered by Claimant as a result of Respondent's misappropriation of property from certain Claimant customer's brokerage accounts.
- (3) The parties are in agreement that, to date, Claimant's losses have exceeded \$575,000.00 and Respondent concedes he is liable and indebted to Claimant at this time for such amount.
- (4) Respondent has consented and agreed to the entry of this final Stipulated Award in favor of Claimant by this Panel against Respondent and shall pay to Claimant the sum of Five Hundred and Seventy-Five Thousand Dollars (\$575,000.00), plus statutory interest from the date of this Stipulated Award forward (the "Stipulated Award").
- (5) Respondent shall fully cooperate with Claimant in executing any documents and selling various real and personal properties necessary to effectuate the terms of this Stipulated Award, including, but not limited to, any necessary estoppel letters or limited powers of attorney, as Claimant may request.

- (6) Respondent has assigned to Claimant the proceeds from the sale of Respondent's residential real property located at 973 NW Pine Lake Drive, Stuart, Florida 34994 (the "Residential Real Property"), remaining after payoff of the mortgage on the property in favor of Chase Home Finance, which mortgage Respondent represented to have a balance of approximately \$95,200.00. Such proceeds shall be payable directly to Claimant, or its assigns, at closing, and Respondent shall have no interest in the sale proceeds. Respondent has warranted and represented that the Residential Real Property is titled in his name alone, and that other than the mortgage set forth above, he has clear title to the Residential Real Property unencumbered by any lien.
- (7) In addition, Respondent has assigned to Claimant his shares in Sherman, Flint, Duerr, S.A., a corporation that owns real property situated in Costa Rica, located on Boulevard El Bosque, Playa Hermosa, Costa Rica (the "Costa Rican Property"). Respondent has further assigned all proceeds from the sale of such shares and/or other sale representing his  $\frac{1}{3}$  interest in the Costa Rican property and/or corporation owning same. Respondent shall have no interest in the sale proceeds from the aforementioned shares of stock and/or interest in the real property.
- (8) Respondent shall use his best efforts to immediately sell his Residential Real Property and his interest in the Costa Rican Property. Respondent shall follow any directions Claimant may provide regarding the marketing and listing of the property, including with respect to the listing price. Respondent shall present to Claimant every offer made on the respective real properties to Claimant each time such offer or proposal to purchase said properties is submitted. Respondent may not reject any offer for purchase of the Residential Real Property or the Costa Rican Property unless and until Claimant authorizes such rejection. Upon presentation of each and every offer made upon both the Residential Real Property and the Costa Rican Property, Claimant has the absolute right to deem any offer reasonable, and, upon this determination by Claimant, Respondent shall consummate a sale of the property at issue at the offer price Claimant deems acceptable. With respect to all of the above, the real estate agent marketing the Residential Real Property is authorized and hereby directed to follow Claimant's instructions.
- (9) Respondent has granted Claimant a Limited Power of Attorney to effectuate the sale of the Residential Real Property, including, but not limited to, the power to execute all necessary closing documents and the power to distribute the proceeds from the sale of the Residential Real Property to Chase Home Finance (or any other mortgage companies with a valid ownership interest in the Residential Real Property) and Claimant pursuant to this Stipulated Award. Further, Respondent has granted Claimant a Limited Power of Attorney to effectuate the transfer of all of Flint's shares of stock in the corporation, Sherman, Flint & Duerr, S.A., the legal entity that owns Costa Rican Property, to Claimant.

- (10) Respondent shall cooperate and will not oppose in any respect the confirmation of this Stipulated Award as a Final Judgment in a court of competent jurisdiction and that such court will retain jurisdiction over this action and over the parties to enforce the terms of this Stipulated Award and for purposes of adjudicating any disputes arising under, or requiring the interpretation, enforcement, or implementation of any provision of this Stipulated Award.
- (11) Upon receipt, in full, of *both* the proceeds from the sale of the Residential Real Property and the Costa Rican Property, Claimant shall distribute \$10,000.00 of the proceeds to Respondent's brother Roger Flint, and \$5,000.00 of the proceeds to Lynn Claflin.
- (12) In the event any of Respondent's representations prove to be false, or the assignment of either of the interests in properties above is ineffective for any reason, Respondent shall be liable to Claimant in the amount of \$880,000.00. Such award shall not relieve Respondent of his obligation to cooperate fully with the transfer of the properties to Claimant as promised.
- (13) The Panel has jurisdiction to execute this Stipulated Award.
- (14) The parties shall each bear their own costs, expenses and attorneys' fees arising out of or connection with this Stipulated Award.
- (15) Respondent has represented that he entered into this Stipulated Award with Claimant of his own free will and had an opportunity to consult with counsel. Respondent knowingly waived all defenses to the entry and enforcement of this Stipulated Award and order of confirmation.

### **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	= \$1000.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Claimant is a member firm and a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00
Total Member Fees	= \$5,200.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournments were requested 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.

Injunctive relief fees were not assessed 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 three-day cancellation fees were assessed in this matter.

**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. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: June 19, 2006 1 session	
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Total Forum Fees	= \$1,125.00

The Panel has assessed forum fees of \$562.50 to Claimant and \$562.50 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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00
Forum Fees	= \$ 562.50
Total Fees	= \$6,762.50
Less Payments	= \$6,762.50
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 562.50

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

**ARBITRATION PANEL**

Steven R. Reininger, Esq.  
George D. Lambert, III  
John E. Hiro

Public Arbitrator, Presiding Chairperson  
Public Arbitrator  
Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/s/\_\_\_\_\_  
Steven R. Reininger, Esq.  
Public Arbitrator, Presiding Chairperson

October 31, 2006  
Signature Date

\_\_\_\_\_/s/\_\_\_\_\_  
George D. Lambert, III  
Public Arbitrator

October 30, 2006  
Signature Date

\_\_\_\_\_/s/\_\_\_\_\_  
John E. Hiro  
Non-Public Arbitrator

October 31, 2006  
Signature Date

November 1, 2006  
Date of Service (For NASD Dispute Resolution office use only)

Oct. 30, 2006 4:32 PM

NASD Dispute Resolution

Arbitration No. 06-00481

Stipulated Award Page 6 of 6**Fee Summary**

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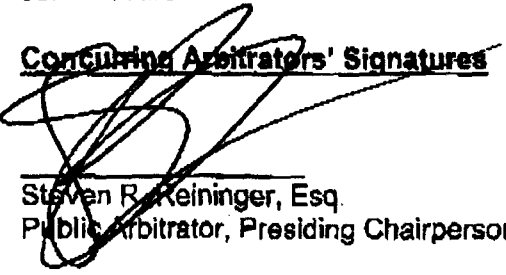
George D. Lambert, III

John E. Hiro

Public Arbitrator, Presiding Chairperson

Public Arbitrator

Non-Public Arbitrator

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Steven R. Reininger, Esq.  
Public Arbitrator, Presiding Chairperson  
10/31/06  
Signature Date  
George D. Lambert, III  
Public Arbitrator  
Signature Date  
John E. Hiro  
Non-Public Arbitrator  
Signature Date  
Date of Service (For NASD Dispute Resolution office use only)

Arbitration No. 06-00481

Stipulated Award Page 6 of 6

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Forum Fees	= \$ 562.50
<b>Total Fees</b>	<b>= \$6,762.50</b>
<b>Less Payments</b>	<b>= \$8,762.50</b>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 0.00</b>

Respondent is solely liable for:

Forum Fees	= \$	562.50
Total Fees	= \$	562.50
Less Payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	562.50

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Public Arbitrator  
Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson

Signature Date

George D. Lambert, III  
Public Arbitrator

Signature Date

John E. Hiro  
Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution  
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Stipulated Award Page 6 of 6

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Public Arbitrator, Presiding Chairperson

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