

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between/Among)

ROBERT LOPRIORE, III)

Claimant(s))

Case # 89-02462

vs.)

Award

THE STUART JAMES CO., INC.)

Respondent(s))

CASE SUMMARY

The Statement of Claim was filed on September 5, 1989.

Claimant(s), Robert LoPriore, III, alleged that he was an un-

sophisticated investor when he opened accounts with Respondent,

The Stuart James Co., Inc.. Claimant contended that Respondent

invested his funds in unsuitable securities, that Respondent

engaged in unauthorized trades, churned his accounts, breached

its fiduciary duty toward Claimant and committed other violations

of state and federal laws in connection with his accounts.

Respondent, The Stuart James Co., Inc. denied all allegations of

wrong doing and maintained that Claimant was a knowledgeable investor

motivated by greed and was apprised of the risk inherent in

venture capital and options trading.

RELIEF REQUESTED

Claimant(●), requested an award in the amount of \$282,694.00 plus
interest, actual damages, trebled. attorneys' fees, costs of these
proceedings and punitive damages in the amount of \$5,000,000.00.

Respondent(●) requested dismissal of the claim.

AWARD

On 7-26;27 & 12-10, 1990 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant(s), on 8-31-89 and responded to by Respondent on 11-30-89. The hearing was held in Raleigh, NC and consisted of six (6) session(s). The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent, The Stuart James Co., Inc., shall pay to Claimant Robert LoPriore, III, the sum of Two Hundred Seventy Three Thousand Dollars and no cents (\$273,000.00) compensatory damages, including interest through December 16, 1990;

2. Respondent, The Stuart James Co., Inc. shall pay to Claimant, Robert LoPriore, III, the sum of Fifty Thousand Dollars and no Cents (\$50,000.00) in punitive damages; Awarded pursuant to the panel's finding of a breach of fiduciary duty on the part of Respondent, The Stuart James Co., Inc.; Interest on the total award to be calculated at a rate of 15% per annum to commence on December 17, 1990;

3. The parties shall each bear their respective costs, including attorneys' fees;

4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain/~~refund~~the \$1,000.00 filing fee previously deposited by the Claimant.

5. Respondent/~~Claimant~~ is assessed forum fees in the amount of \$5,000.00** payable to the NASD, Inc. through its staff counsel/administrator in accordance with Section 43 of the Code of Arbitration Procedure.

ARBITRATORS CONCURRING

Gary Tidwell

Gary Tidwell, Esq.

John R. Canada

John R. Canada

Kenneth N. Shelton

Kenneth N. Shelton, Esq.

DATED BY NASD
DECEMBER 14, 1990

ARBITRATORS DISSENTING
(if any)

