

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

John F. Nappy
John Franklin & Associates, Inc.

vs.

Case #
92-00783

Name of Respondents

Raymond James & Associates, Inc.

REPRESENTATION

John N. Nappy ("Claimant"), represented himself at the hearing.

For Respondent, Raymond James & Associates, Inc. ("Respondent"), John N. Critchlow, Esq., in-house counsel.

CASE INFORMATION

Statement of Claim was filed on April 1, 1992.

Claimant's Submission Agreement was signed on February 28, 1992.

Statement of Answer was filed by Respondent on November 23, 1992.

Respondent's Submission Agreement was signed on November 19, 1992.

HEARING INFORMATION

Hearing Dates/Sessions:	June 21, 1993	-	1 session
	January 6, 1994	-	2 sessions
	August 4, 1994	-	2 sessions
	August 29, 1994	-	2 sessions
	August 30, 1994	-	2 sessions
	December 28, 1994	-	2 sessions
	February 27, 1995	-	2 sessions

Hearing Location: NASD offices, located in New York, New York.

CASE SUMMARY

Claimant alleges that he had an industry standard clearing agreement with the Respondent. Further, the Claimant asserts that he was damaged when the Respondent restricted the option trading in violation of their standard clearing agreement and NYSE rules and regulations. Moreover, Claimant states that the Respondent tortiously interfered with his business operations when Respondent made unauthorized money transfers from the Claimant's accounts. The Claimant also contends that the Respondent acquired his business good will and intangible assets without payment as a result of unauthorized money transfers.

Lastly, the Claimant asserts that the Respondent was unjustly enriched through its malicious and fraudulent scheme to acquire Claimant's business.

Respondent alleges that there was no violation of the industry standard clearing agreement. Moreover, the Respondent asserts that the Claimant admitted to the Securities Exchange Commission having wrongfully conducted its own business activity by misappropriating \$1.5 million from its own customer accounts. The Respondent contends it has reviewed its records and denies having made the alleged transactions.

Lastly, the Respondent asserts that the Claimant was fully informed of all transactions and that no documents exist to the contrary.

RELIEF REQUESTED

Claimant requests \$500,000 for lost asset and account losses. Claimant also requests interest, costs, disbursements and reasonable attorney fees.

Respondent requests dismissal of entire action and that the panel award it all costs and reasonable attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counter copies and agreed to receive conformed copies of the Award while the original remain on file with the NASD.

At the December 28, 1994 hearing date, it was disclosed that Arbitrator Karl Beresky was ill and was undergoing treatment and would not be available. After hearing their choices, both parties agreed to proceed with two arbitrators for the duration of the case.

AWARD

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

1. All claims against Respondent are denied.
2. Each party shall bear its own costs and attorney's fees.

FORUM FEES

Pursuant to Section 44(c) of the *Code of Arbitration Procedure*, the following Forum Fees are assessed.

Non-refundable Filing Fee: \$500.00

Hearing Session Fee: \$9,750.00 (13 sessions @ \$750.00 per session)

Total Fees: \$10,250.00

1. Claimant is assessed \$5,125.00. Claimant previously paid \$1,250.00 and owes a balance of \$3,875.00
2. Respondent is assessed \$5,125.00

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

John J. Witkowski	-	Industry Chairperson
Neil G. Gargiulo	-	Industry Panelist

Concurring Arbitrator's Signature


Neil G. Gargiulo

Date of Decision: April 26, 1995

AWARD

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

1. All claims against Respondent are denied.
2. Each party shall bear its own costs and attorney's fees.

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ARBITRATION PANEL

John J. Witkowski

Neil G. Gargiulo

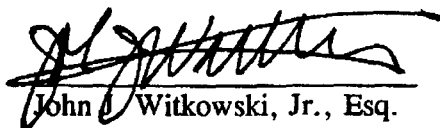
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Industry Chairperson

-

Industry Panelist

Concurring Arbitrator's Signature


John J. Witkowski, Jr., Esq.

Date of Decision: April 26, 1995

STATE OF CT
COUNTY OF Hartford

S.S.: Hartford, CT

On this 19th day of Apr., 1995, before me personally appeared Neil G. Gargiulo known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

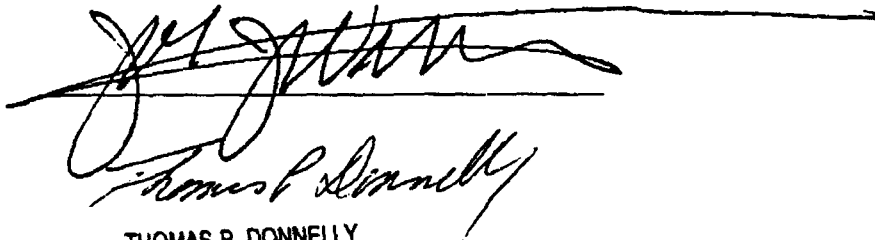
Jimmy Salzillo

NOTARY PUBLIC

MY COMMISSION EXPIRES 12/31/99

STATE OF *New York* S.S.:
COUNTY OF *Richmond*

On this *11th* day of *April*, 1995, before me personally appeared John J. Witkowski, Jr. known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

A handwritten signature in cursive script, appearing to read "Thomas P. Donnelly", is written over a horizontal line.

THOMAS P. DONNELLY
NOTARY PUBLIC, STATE OF NEW YORK
NO. 43-6068750
QUALIFIED IN RICHMOND COUNTY
COMMISSION EXPIRES *9/20/98*