

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Estelle Markham

96-05414

Name of Respondents

Christopher Trina
Sovereign Equity Management Corp.

REPRESENTATION

For Claimant Estelle Markham ("Markham"): Stephen D. Spivey, Esq. of the Law Offices of Stephen D. Spivey, P.A., Ocala, Florida.

For Respondent Christopher Trina ("Trina"): George L. Guerra, Esq. of Fowler, White, Gillen, Boggs, Villareal And Banker, P.A., Clearwater, Florida.

For Respondent Sovereign Equity Management Corp. ("Sovereign Equity"): Thomas Hands of Sovereign Equity Management Corp., Boca Raton, Florida. On November 17, 1997, George L. Guerra, Esq. of Fowler, White, Gillen, Boggs, Villareal And Banker, P.A., Clearwater, Florida, withdrew as counsel for Respondent Sovereign Equity.

CASE INFORMATION

Statement of Claim filed: December 6, 1996.

Claimant's Submission Agreement signed on: November 29, 1996.

Joint Statement of Answer filed by Respondents on: March 31, 1997.

Respondents Trina and Sovereign Equity did not execute Submission Agreements.

Respondent Sovereign Equity did not appear at the hearing on December 8, 1997 (see "Other Issues").

HEARING INFORMATION

On June 3, 1997, October 30, 1997 and December 5, 1997, telephonic pre-hearing conferences lasting three (3) sessions were conducted with the arbitration panel.

On July 28, 1997, a telephonic pre-hearing conference lasting one (1) session was conducted with the Chairperson.

On December 8, 1997, a hearing lasting two (2) sessions was conducted in Tampa, Florida.

CASE SUMMARY

Claimant Markham brought this action against Respondents Trina and Sovereign Equity alleging misrepresentation, unauthorized trading, and unsuitability based upon violations of the Florida Securities Investors Protection Act.

Respondents Trina and Sovereign Equity denied all of the claims contained in the Statement of Claim and alleged the following affirmative defenses: doctrine of estoppel, doctrine of waiver, doctrine of ratification, comparative negligence, assumption of risk, acts beyond Respondents' control, failure to mitigate damages, unclean hands, statute of limitations, doctrine of laches, and the economic loss doctrine.

RELIEF REQUESTED

Claimant requested monetary damages in the amount of \$94,563.28, plus all costs incurred in this action, and a ruling that the Claimant is entitled to attorney's fees in an amount to be determined by a court of competent jurisdiction.

Respondents requested that all claims be dismissed and that they be awarded costs and fees incurred in defense of this action.

OTHER ISSUES CONSIDERED & DECIDED

The parties present at the hearing agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties present at the hearing agreed to receive conformed copies of the Award while the originals remain on file with NASD Regulation, Inc.

On December 5, 1997 Claimant dismissed, with prejudice, Respondent Trina from this action.

Pursuant to Section 10101 of the Code of Arbitration Procedure ("Code"), the arbitration panel found subject matter jurisdiction over this entire controversy.

The arbitration panel found that Respondent Sovereign Equity was a member of the NASD at the time the controversy arose. Consequently, the arbitration panel found personal jurisdiction over Respondent Sovereign Equity pursuant to Section 10301 of the Code.

In view of the above, the arbitration panel found that Respondent Sovereign Equity was required to file with NASD Regulation, Inc. a properly executed Submission Agreement pursuant to Section 10314(b) of the code.

In addition, in accordance with Sections 10310, 10315 and 10318 of the Code, the arbitration panel found that NASD Regulation, Inc. provided Respondent Sovereign Equity with "due notice" of the hearing conducted in this matter. Respondent Sovereign Equity did not appear at the hearing on December 8, 1997. The arbitration panel, therefore, determined to proceed with the hearing without Respondent Sovereign Equity present.

AWARD

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

1. Respondent Sovereign Equity is found liable and shall pay \$39,741.83 in compensatory damages to Claimant Markham.
2. Respondent Sovereign Equity is found liable and shall pay \$2,499.63 in pre-judgment interest to Claimant Markham.
3. Respondent Sovereign Equity is found liable and pursuant to Florida Statute 517.211(6) shall pay Claimant Markham's attorney's fees in an amount to be determined by a court of competent jurisdiction.
4. Respondent Sovereign Equity is found liable and shall pay \$850.00 to Claimant Markham representing the claim filing fee and hearing session deposit previously paid by Claimant Markham.

FORUM FEES

Pursuant to Rule 10332(c) of the Code, the arbitration panel has assessed forum fees in the amount of \$2,800.00 as follows:

1. Respondent Sovereign Equity is hereby assessed \$2,800.00 for which NASD Regulation, Inc. shall retain the \$650.00 previously paid by the Claimant in partial satisfaction thereof leaving a balance due in the sum of \$2,150.00.
2. Respondent Sovereign Equity is still owing \$300.00 pursuant to Rule 10333 of the Code representing the previously assessed member surcharge.

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

Concurring Arbitrators' Signatures

/s/

Janice C. Buchman, Esq.
Chairperson, Public Arbitrator

/s/

Muriel Desloovere, Esq.
Public Arbitrator

/s/

Jerrold E. Slutzky, Esq.
Industry Arbitrator

3/19/98

Date of Decision: _____