

**Award**  
**NASD Regulation, Inc.**

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In the Matter of the Arbitration Between:

Colin Ma, (Claimant) vs. Global Strategies Group, Inc., Jamie Morrill, Robert Carlin, John Williams, and First Southwest Company, (Respondents).

Case Number: 98-00424

Hearing Site: San Francisco, California.

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**REPRESENTATION OF PARTIES**

Colin Ma hereinafter referred to as "Claimant": Alan L. Reeves, Esq., Gonsalves & Kozachenko, Fremont, California.

Robert Carlin and Global Strategies Group Inc. hereinafter collectively referred to as "Carlin": Robert Carlin represented himself and Global.

Jon Francis Williams: Did not make an appearance.

Jamie Morrill "Morrill": Did not appear at the hearing.

First Southwest Company: David R. Clouston, Esq., Arter & Hadden, Dallas, Texas.

**CASE INFORMATION**

Statement of Claim filed on or about: January 27, 1998.

Claimant signed the Uniform Submission Agreement: January 23, 1998.

Statement of Answer filed by Respondents Global Strategies Group Inc. and Robert Carlin on or about: June 5, 1998.

Statement of Answer filed by Respondent First Southwest Company on or about: April 8, 1998.

First Southwest Company executed the Uniform Submission Agreement: April 1, 1998.

First Southwest filed a Cross-Claim against Global Strategies and Robert Carlin on or about: February 1, 1999.

Statement of Answer and Motion to Dismiss filed by Respondent James Morrill on or about: April 27, 1998.

Respondent Robert J. Carlin signed the Uniform Submission Agreement: June 2, 1998.

Global Strategies Group, Inc., executed the Uniform Submission Agreement: June 2, 1998.

James Morrill signed the Uniform Submission Agreement: April 20, 1998.

**CASE SUMMARY**

Claimant asserts the following causes of action with respect to Jamie Morrill: negligence; breach of fiduciary duty; fraud; conversion; and violation of federal securities laws. Claimant asserts the

following causes of action with respect to Global Securities Group Inc.: respondeat superior; and as a controlling person under federal securities laws. Claimant asserts the following causes of action with respect to Robert Carlin: negligence; breach of fiduciary duty; fraud; ; and as a controlling person under federal securities laws. The causes of action relate to the purchase of 53,000 shares of Advantage Life Products, Inc.

Respondents Robert Carlin and Global Strategies Group, Inc. "Carlin" denied the allegations in the Statement of Claim. Carlin asserts affirmative defenses including: Claimant's failure to timely object to any of the transactions of which he complains constitutes a ratification of these transactions and a waiver or estoppel of Claimant's right to any recovery sought in the Statement of Claim; and Claimant's claims are barred by all applicable statutes of limitations; Claimant failed to mitigate his damages; and Claimant is a sophisticated investor who assumed the risk of investing in the securities market.

Respondent Morrill asserts affirmative defenses including: Claimant authorized and directed the execution of all transaction in his account; Claimant's conduct ratified the trading in his account; Morrill acted in good faith and exercised at least that degree of care, diligence, and skill as would a prudent person; and Claimant assumed market risks responsible for his losses.

### **RELIEF REQUESTED**

Claimant requested:

Compensatory Damages	\$100,000
Punitive Damages	\$300,000
Interest	To be determined by the panel.
Other Costs	To be determined by the panel.

Respondents Carlin and Global Strategies Group requested:

Attorneys' Fees	To be determined by the panel.
Other Costs	To be determined by the panel.

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

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have has determined that Respondent Jamie Morrill has been properly served with the Statement of Claim, having answered the claim and having received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

The Claimant dismissed Respondents Jon Williams and First Southwest Company from this matter prior to the hearing.

First Southwest Company settled and resolved all issues pertaining to their cross-claim against Robert Carlin and Global Strategies Inc. prior to the hearing.

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

### **AWARD**

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

1. The Claimant is awarded and Respondents Jamie Morrill, Robert Carlin, and Global Strategies Group Inc. shall, jointly and severally, pay to Claimant the sum of 93,625.09 principal plus \$9,830.63 interest @ 7% for eighteen months through May 21, 1999, and at a daily rate of \$17.96 for each day thereafter;
2. The Claimant is awarded and Respondent Jamie Morrill shall pay to Claimant the sum of \$300,000 in punitive damages;
3. All other claims in the Statement of Claim are dismissed;
4. Each side to bear their own costs and expenses, including attorneys' fees.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:  
Initial claim filing fee = \$200

#### **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. In this matter, the member firms, Global Strategies Group Inc. and First Southwest Company, are a parties to this action.

Member surcharge	= \$1,500
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$2,500

#### **Forum Fees and Assessments**

The panel assesses forum fees for each hearing session conducted. A hearing 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 a single arbitrator x \$300	= \$300
Pre-hearing conference: October 21, 1998	1 session.
Two (2) Pre-hearing sessions with Panel x \$750	= \$1,500
Pre-hearing conferences: August 19, 1998	1 session;
September 10, 1998	1 session.
Two (2) Hearing sessions x \$750	= \$1,500
Hearing Date(s): May 20, 1999	2 sessions.
Total Forum Fees	= \$3,300

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1. The Arbitrator Panel has assessed all forum fees, \$3,300, jointly and severally to Respondents Jamie Morrill, Robert Carlin and Global Strategies Group Inc.

#### Fee Summary

1. Claimant, (Name), be and hereby is solely liable for:

<u>Initial Filing Fee</u>	= \$200
Total Fees	= \$200
<u>Less payments</u>	= \$950
Balance <Refund>	= <\$750>

2. Respondent Global Strategies Group Inc. is solely liable for:

Member Fees	= \$4,600
<u>Less Payments</u>	= \$1,500
Balance Due NASD Regulation, Inc.	= \$3,100

3. Respondent First Southwest Company is solely liable for:

Member Fees	= \$4,600
Cross-Claim Filing Fee	= \$ 500
<u>Less Payments</u>	= \$5,100
Balance Due NASD Regulation, Inc.	= \$ 0

4. Respondents Jamie Morrill, Robert Carlin and Global Strategies Group Inc. are solely liable for:

<u>Forum Fees</u>	= \$3,300
Balance Due NASD Regulation, Inc.	= \$3,300

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

Helen B. Culiner, Esq.  
Public Arbitrator, Presiding Chair

Signature Date

Jonathon H. Krottinger, Esq.  
Public Arbitrator

Signature Date

Mark R. Palmer  
Mark R. Palmer  
Industry Arbitrator

Sept 9, 1999  
Signature Date

Date Served:

SEP 09 1999

**All balances are due and payable to NASD Regulation, Inc.**

Concurring Arbitrators' Signature(s)

Helen B. Coliner  
Helen B. Coliner, Esq.  
Public Arbitrator, Presiding Chair

9/9/99  
Signature Date

**Jonathon H. Krotzinger, Esq.**  
**Public Arbitrator**

**Signature Date**

**Mark R. Palmer**  
Industry Arbitrator

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Jonathon H. Krotinger, Esq.  
Public Arbitrator

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Mark R. Palmer  
Industry Arbitrator

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