

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Suzanne Hall, (Claimant) vs. Larisa Kifer and First Allied Securities, Inc, (Respondents)

Case Number: 99-01179

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Suzanne Hall, hereinafter referred to as "Claimant": Warren Wynshaw, Esq., Mohopac, New York.

Respondent, Larisa Kifer ("Kifer"): Edward M. Gould, Esq., Islip, New York.

Respondent, First Allied Securities, Inc. ("FAS") and Respondent, Bear Stearns Securities Corp. ("Bear Stearns"): Brian J. Neville, Esq., First Allied Securities, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: March 11, 1999

Claimant signed the Uniform Submission Agreement: March 11, 1999

Statement of Answer and Cross Claim filed by Kifer on or about: May 14, 1999

Kifer signed the Uniform Submission Agreement: October 29, 1999

Statement of Answer filed by FAS on or about: May 18, 1999

Answer to Kifer's Cross Claim filed by FAS on or about: December 23, 1999

FAS signed the Uniform Submission Agreement: May 20, 1999

Statement of Answer filed by Bear Stearns on or about: May 18, 1999

Bear Stearns did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: negligence and fraud.

Respondent Kifer denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant failed to state a claim upon which relief can be granted; Claimant's claims are barred because coercion was used to obtain his personal guarantee; and, Claimant's claims are barred by the doctrine of unclean hands.

In her Cross Claim, Kifer alleged that Respondent FAS is liable for the conduct of its agents and has an affirmative duty to exercise supervisory control over its employees.

Respondent FAS denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant failed to state a claim upon which relief may be granted; FAS did not act with any intent to defraud Claimant; Claimant authorized all transactions executed in her account; Claimant's claims are barred by the doctrines of ratification, waiver, and estoppel; FAS had no fiduciary duty to Claimant; FAS was not negligent in its handling of Claimant's account; FAS had proper supervisory procedures in place at the time of the event in question; and, there was no causal relationship between the conduct of FAS and the damages suffered by Claimant.

In its Answer to Kifer's Cross claim, FAS alleged that Kifer is solely liable to Claimant due to a contractual agreement entered into between FAS and Kifer.

Respondent Bear Stearns denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant failed to state a claim upon which relief may be granted; Bear Stearns can have no liability because it acted in the capacity of a clearing agent; Claimant failed to mitigate damages; Bear Stearns acted in good faith; and, the claims were barred by the applicable statutes of limitation.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$69,905.00
Interest	at a rate of 9% per annum accruing from December 31, 1998 until the award is paid.
Other Costs	unspecified

Kifer requested that the Statement of Claim be dismissed in its entirety; that she be awarded attorneys' fees, cost, disbursements and such further relief as the Panel may deem just and proper.

FAS requested that the Statement of Claim be dismissed in its entirety; that the Statement of Cross Claim be dismissed in its entirety and such other relief as the Panel may deem just and proper.

Bear Stearns requested that the Statement of Claim against it be dismissed in its entirety, and that the costs incurred in defending this action be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

The Claim against Respondent Bear Stearns was withdrawn prior to the commencement of the hearing. Therefore, no representative appeared at the hearing on behalf of Bear Stearns.

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Kifer and FAS be and hereby are jointly and severally liable and shall pay to Claimant the sum of \$31,000.00 in compensatory damages, plus interest at the rate of 9% per annum accruing from January 1, 1999 to January 19, 2000.
2. Respondent Kifer's Cross Claim is hereby denied in its entirety.
3. All other requests for relief are hereby denied.

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	= \$ 150.00
Cross claim filing fee	= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. In this matter, Bear Stearns Securities Corp. and First Allied Securities, Inc. are parties.

<u>Bear Stearns</u>	
Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 200.00

First Allied Securities

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less.

Pursuant to Rule 10332 of the Code of Arbitration Procedure, fees associated with these proceedings for customer claims are:

One (1) Pre-hearing session with Panel x \$500.00	= \$ 500.00
Pre-hearing conference: October 26, 1999	1 session
Three (3) Hearing sessions x \$500.00	= \$1,500.00
Hearing Dates: December 14, 1999	2 sessions
January 19, 2000	1 session
Total Forum Fees	= \$2,000.00

The Panel has assessed \$666.66 (1/3) of the forum fees against Claimant.

Pursuant to Rule 10332 of the Code of Arbitration Procedure, fees associated with these proceedings for industry claims are:

One (1) Pre-hearing session with Panel x \$600.00	= \$ 600.00
Pre-hearing conference: October 26, 1999	1 session
Three (3) Hearing sessions x \$600.00	= \$1,800.00
Hearing Dates: December 14, 1999	2 sessions
January 19, 2000	1 session
Total Forum Fees	= \$2,400.00

The Panel has assessed \$1,600.00 (2/3) of the forum fees against Respondent FAS.

Fee Summary

1. Claimant be and hereby is solely liable for:	
Initial Filing Fee	= \$ 150.00

<u>Forum Fees</u>	= \$ 666.66
<u>Total Fees</u>	= \$ 816.66
<u>Less payments</u>	= \$ 650.00
Balance Due NASD Regulation, Inc.	= \$ 166.66

2. Respondent Bear Stearns be and hereby is solely liable for:

<u>Member Fees</u>	= \$1,200.00
<u>Total Fees</u>	= \$1,200.00
<u>Less payments</u>	= \$1,000.00
Balance Due NASD Regulation, Inc.	= \$ 200.00

3. Respondent Kifer be and hereby is solely liable for:

<u>Counter Claim Filing Fee</u>	= \$ 500.00
<u>Total Fees</u>	= \$ 500.00
<u>Less payments</u>	= \$ 500.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

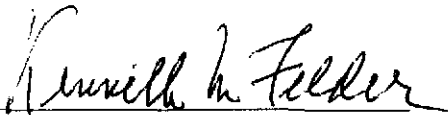
4. Respondent FAS be and hereby is solely liable for:

<u>Member Fees</u>	= \$3,100.00
<u>Forum Fees</u>	= \$1,600.00
<u>Total Fees</u>	= \$4,700.00
<u>Less payments</u>	= \$3,100.00
Balance Due NASD Regulation, Inc.	= \$1,600.00

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

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Kenneth M. Felder
Public Arbitrator, Presiding Chair

2/14/00

Signature Date

Richard M. McCostis, Esq.
Public Arbitrator

Signature Date

Alvin Gallant
Industry Arbitrator

Signature Date

February 17, 2000

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures


I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

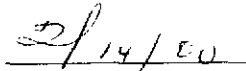
Kenneth M. Felder
Public Arbitrator, Presiding Chair

Signature Date

Richard M. McCostis, Esq.
Public Arbitrator

Signature Date


Alvin Gallant
Industry Arbitrator


Signature Date

February 17, 2000

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Kenneth M. Felder
Public Arbitrator, Presiding Chair

Signature Date

Richard M. McCostis, Esq.
Public Arbitrator

February 10, 2000
Signature Date

Alvin Gallant
Industry Arbitrator

Signature Date

February 17, 2000
Date of Service (For NASD office use only)