

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

William K. Furlong

Case No. 99-02492

Names of Respondents

Wheat First Securities, Inc.
Robert M. Muller
Walter R. Anderson

REPRESENTATION OF PARTIES

For Claimant William K. Furlong: Anthony J. Hom, Esq., New York, NY.

For Respondents Patricia Furlong Elliott ("Patricia"), Wheat First Securities, Inc. ("Wheat First"), Robert M. Muller ("Muller"), and Walter R. Anderson ("Anderson"): Bernard C. Daley, Esq. of Ulmer & Berne LLP, Cleveland, OH.

CASE INFORMATION

Statement of Claim filed on or about: June 1, 1999.

Claimant signed the Uniform Submission Agreement: December 15, 1998.

Joint Statement of Answer and "Cross-Claim" filed by Respondents on or about: August 30, 1999.

Respondent Robert M. Muller signed the Uniform Submission Agreement: August 30, 1999.

Respondent Walter R. Anderson signed the Uniform Submission Agreement: June 23, 1999.

Respondent Wheat First Securities, Inc. did not file an executed Uniform Submission Agreement (see "Other Issues").

CASE SUMMARY

Claimant alleged the following: On or about January 1992, William, Patricia, and L. Dulany Furlong ("Dulany") opened a joint account with right of survivorship (the "Account") by and among William, Patricia, and Dulany with Wheat First. At the time the Account was opened, William lived in Knoxville, Tennessee and Dulany and Patricia lived in Virginia. Muller was the broker for the Account and Anderson was his supervisor and branch manager. From 1992 to 1996, Muller executed the liquidation of securities at the bequest of Patricia without William's knowledge or permission. William never received monthly

account statements or confirmations of these trades from Wheat First. On or about January 1997, after the death of Dulany, William first learned of the status of the securities in the Account. On or about late January 1997, William discovered Patricia had forged his signature on checks that were made payable to William, Dulany, and Patricia. When William contacted Anderson at Wheat First, Anderson denied any wrongdoing and offered no further help. Claimant further alleged that Wheat First failed to properly supervise Muller.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and alleged the following: Wheat First did not have a duty to notify each joint account holder of activity in the account. Wheat First's monthly account statements showed all account activity and were sent to the only address the account holders provided.

RELIEF REQUESTED

Claimant requested \$495,000.00 in compensatory damages, interest from the date the losses were incurred to the date of the arbitration hearing in this matter, attorneys' fees, costs, and any other damages the Panel deemed just and fair.

Respondents requested that the Statement of Claim be dismissed, attorneys' fees, costs, and that all forum fees be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Wheat First did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

On or about August 30, 1999, Respondents filed with NASD Dispute Resolution, Inc. their Joint Statement of Answer and "Cross-Claim." Respondents dismissed the "cross-claim", with prejudice, prior to service.

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:

The Statement of Claim is dismissed in its entirety.

Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 300.00
--------------------------	-------------

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 firm, Wheat First, is a party.

Member surcharge	= \$1500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2500.00

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 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 Panel x \$1125.00	= \$1125.00
--	-------------

Pre-hearing conference:	December 13, 1999	1 session
-------------------------	-------------------	-----------

Three (3) Hearing sessions x \$1125.00	= <u>\$3375.00</u>
--	--------------------

Hearing Dates:	June 12, 2000	2 sessions
	<u>June 13, 2000</u>	<u>1 session</u>

Total Forum Fees	= \$4500.00
------------------	-------------

The Panel has assessed \$2250.00 of the forum fees to Claimant.

The Panel has assessed \$2250.00 of the forum fees to Wheat First.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= <u>\$2250.00</u>
Total Fees	= \$2550.00
<u>Less payments</u>	= <u>\$1425.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1125.00

Respondent Wheat First be and hereby is solely liable for:

Member Fees	= \$4600.00
<u>Forum Fees</u>	= <u>\$2250.00</u>

Total Fees	= \$6850.00
<u>Less payments</u>	<u>= \$4600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2250.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

/s/
Kenneth A. Rutherford, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/
Earle J. Schwarz, Esq.
Public Arbitrator

Signature Date

/s/
Nigel W. Sadd
Public Arbitrator

Signature Date

July 25, 2000
Date of Service (For NASD office use only)

Total Fees

= \$6850.00

Less payments

= \$4600.00

Balance Due NASD Dispute Resolution, Inc.

= \$2250.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures



Kenneth A. Rutherford, Esq.
Public Arbitrator, Presiding Chair

7/19/00

Signature Date

Earle J. Schwarz, Esq.
Public Arbitrator

Signature Date

Nigel W. Sadd
Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Arbitration No. 99-02492

Total Fees

Less payments

Balance Due NASD Dispute Resolution, Inc.

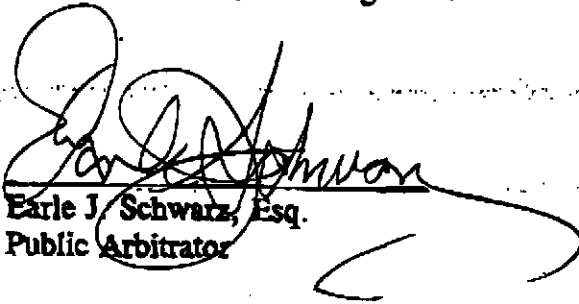
\$6,500.00

= \$2250.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

Kenneth A. Rutherford, Esq.
Public Arbitrator, Presiding Chair


Earle J. Schwarz, Esq.
Public Arbitrator

Nigel W. Sadd
Public Arbitrator

Date of Service (For NASD office use only)

Total Fees
Less payments
Balance Due NASD Dispute Resolution, Inc.

= \$6850.00
= \$4600.00
= \$2250.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

Kenneth A. Rutherford, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Earle J. Schwarz, Esq.
Public Arbitrator

Signature Date

Nigel W. Sadd
Public Arbitrator

7/19/2000
Signature Date

Date of Service (For NASD office use only)