

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Party Name, Rajnikant R. Shah and Dilroza Shah, Claimants v. Edward Hunton and Everen Securities, Respondents.

Case Number: 99-02526

Hearing Site: Seattle, WA

REPRESENTATION OF PARTIES

For Claimants:

Jacquelyn Beatty, Esq.
Karr Tuttle Campbell
1201 Third Avenue
Suite 2900
Seattle, WA 98101

For Respondents:

Frederick D. Huebner, Esq.
Cable, Langenbach, Kinerk
& Bauer, LLP
1000 Second Avenue
Suite 3500
Seattle, WA 98104

CASE INFORMATION

Statement of Claim filed: June 3, 1999

Claimants' Uniform Submission Agreement signed: March 31, 1999

Statement of Answer filed by Respondents: October 14, 1999

Respondent Edward Hunton's Uniform Submission Agreement signed: October 26, 1999

Respondent Everen Securities' Uniform Submission Agreement signed: December 20, 1999

CASE SUMMARY

Claimants alleged breach of contract, breach of fiduciary duty, negligence and breach of Washington State Securities Act. The claims stem from Respondent Hunton's alleged unauthorized purchase of Cascade Communications Corp. ("CSCC") stock in Claimants' Everen Securities' brokerage account.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim

and offered several affirmative defenses including allegations that the claims were barred by the doctrine of laches, the terms of the Everen Client Agreement, the second investment decision doctrine, failure to mitigate and statute of limitations.

RELIEF REQUESTED

Claimants requested \$148,061.41 (Compensatory), interest, attorneys' fees and costs.

Respondent(s) requested dismissal of the Claimants' Statement of Claim in its entirety with prejudice and an award of attorneys' fees

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) The Respondents are joint and severally liable and shall pay Claimants \$21,000
- 2) Each party shall bear its own costs, including attorney's fees.
- 3) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$300
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm is a party and the following fees are assessed:

Member Surcharge	= \$1500
Pre-Hearing Process Fee	= \$ 600
<u>Hearing Process Fee</u>	<u>= \$2500</u>
Total Member Fees	= \$4600

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Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

One (1) Pre-hearing conference session with the Panel @ \$1125/session	= \$1125
Pre-hearing conference: October 4, 2000 1 session	

Four (4) Hearing sessions @ \$1125/session	= \$4500
Hearings: June 18, 2001 2 sessions	
June 19, 2001 2 sessions	

Total Forum Fees	= \$5625
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1. The Panel assessed \$2812.50 of the forum fees jointly and severally to the Claimants.
2. The Panel assessed \$1406.25 of the forum fees to Respondent Everen Securities.
3. The Panel assessed \$1406.25 to Respondent Edward Hunton.

Fee Summary

Claimants are charged with the following fees and costs:

Initial Filing Fee	= \$ 300
<u>Forum Fees</u>	<u>= \$2812.50</u>
Total Fees	= \$3112.50
<u>Less Payments</u>	<u>= \$(1425)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1687.50

Respondent Everen Securities is charged with the following fees and costs:

Member Fees	= \$4600
<u>Forum Fees</u>	<u>= \$1406.25</u>
Total Fees	= \$6006.25
<u>Less Payments</u>	<u>= \$(2100)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3906.25

Respondent Edward Hunton is charged with the following fees and costs:

<u>Forum Fees</u>	<u>= \$1406.25</u>
Less Payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$1406.25

All balances are payable to NASD Dispute Resolution, Inc. and are payable upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

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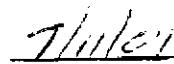
ARBITRATION PANEL

William L. Hawes	-	Public, Presiding Chair
Elwood C. Avery	-	Public Arbitrator
William J. Rex	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



William L. Hawes
Chair, Public Arbitrator



Signature Date

Elwood C. Avery
Public Arbitrator

Signature Date

William J. Rex
Industry/Non-Public Arbitrator

Signature Date

Date Served:

JUL 17 2001

Date of Service

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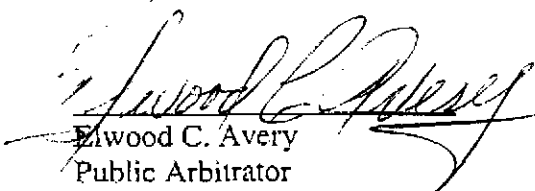
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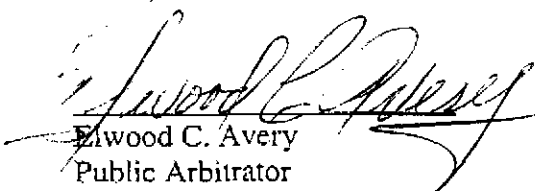
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William L. Hawes
Chair, Public Arbitrator

Signature Date



Elwood C. Avery
Public Arbitrator



7/12/01
Signature Date

William J. Rex
Industry/Non-Public Arbitrator

Signature Date

Date Served:

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Chair, Public Arbitrator

Signature Date

Elwood C. Avery
Public Arbitrator

Signature Date


William J. Rex
Industry/Non-Public Arbitrator

7-11-2001
Signature Date

Date Served:

JUL 17 2001

Date of Service