

**Award**  
**NASD Dispute Resolution, Inc.**

---

In the Matter of the Arbitration Between

Name of Claimant

Rick E. DeGeorge

vs.

Case No. 99-02862

Name of Respondents

Janney Montgomery Scott, Inc.  
Eugene E. Peroni, Jr.  
Michael R. Richardson

---

**REPRESENTATION OF PARTIES**

Claimant, Rick E. DeGeorge, hereinafter referred to as "Claimant": Steven R. Blair, Esq., Lancaster, Pennsylvania

Respondents, Janney Montgomery Scott, Inc. ("JMS"), Eugene E. Peroni, Jr. ("Peroni"), and Michael R. Richardson ("Richardson"), hereinafter collectively referred to as "Respondents": Elizabeth Hoop Fay, Esq., Morgan, Lewis & Bockius, Philadelphia, Pennsylvania

**CASE INFORMATION**

Statement of Claim filed on or about: June 23, 1999

Claimant, (Name), signed the Uniform Submission Agreement: June 17, 1999

Statement of Answer filed by Respondents on or about: September 16, 2000

Respondent, JMS, signed the Uniform Submission Agreement: September 15, 1999

Respondent, Peroni, signed the Uniform Submission Agreement: September 17, 1999

Respondent, Richardson, signed the Uniform Submission Agreement: September 13, 1999

**CASE SUMMARY**

Claimant asserted the following causes of action: violation of various securities statutes and rules of NASD and NYSE; fraud; violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Act; breach of fiduciary duty; breach of written contract; and negligence. The causes of action relate to the alleged mishandling of a discretionary, managed account.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted that Claimant is an experienced investor with considerable

financial resources. Respondents breached no duties owed to Claimant and made no misrepresentations regarding his account.

### **RELIEF REQUESTED**

Claimant requested:

Compensatory Damages	\$85,000
Punitive Damages	Amount Not Specified
Treble Damages	\$170,000
Attorneys' Fees	Amount Not Specified
Other Costs	Amount Not Specified

Respondents requested that the Statement of Claim be dismissed in its entirety, that all references to this arbitration be expunged from Respondents Peroni's and Richardson's registration records maintained by the NASD Central Registration Depository, and that all the costs of this arbitration be assessed to Claimant.

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

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

1. That Respondent JMS is liable to and shall pay to Claimant \$22,500; and
2. That each party shall bear their own costs and expenses, including attorneys' fees, with the exception of forum fees as specified below; and
3. That any and all relief not specifically addressed herein, including punitive and treble damages, are 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	= \$225
--------------------------	---------

### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firms is a party.

Member surcharge	= \$1,000
Pre-hearing process fee	= \$600
Hearing process fee	= \$1,500

### **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 arbitrators, including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session with Panel x \$750	= \$750
Pre-hearing conference: March 6, 2000 1 session	
4 Hearing sessions x \$750	= <u>\$3,000</u>
Hearing Dates: September 11, 2000 2 sessions	
September 12, 2000 2 sessions	
Total Forum Fees	= \$3,750

The Panel assessed \$3,750 of the forum fees to Respondent JMS.

### **Fee Summary**

Claimant is solely liable for:

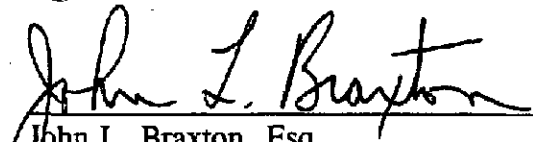
Initial Filing Fee	= <u>\$225</u>
Total Fees	= \$225
Less payments	= <u>\$975</u>
Refund Due Claimant	= \$750

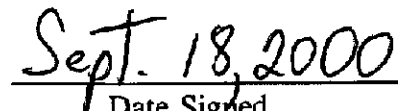
Respondent, JMS, be and hereby is solely liable for:

Member Fees	= \$3,100
Forum Fees	= <u>\$3,750</u>
Total Fees	= \$6,850
Less payments	= <u>\$3,100</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,750

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

**CONCURRING ARBITRATORS' SIGNATURES**

  
\_\_\_\_\_  
John L. Braxton, Esq.  
Public Arbitrator, Presiding Chairman


  
\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Edward Greer, Esq.  
Public Arbitrator

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Bernard Bujak  
Industry Arbitrator

\_\_\_\_\_  
Date Signed

  
\_\_\_\_\_  
Date of Service (For NASD-DR office use only)

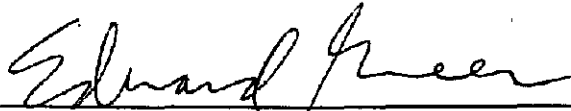
**CONCURRING ARBITRATORS' SIGNATURES**

---

John L. Braxton, Esq.  
Public Arbitrator, Presiding Chairman

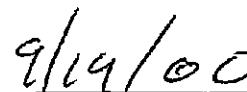
---

Date Signed



---

Edward Greer, Esq.  
Public Arbitrator



---

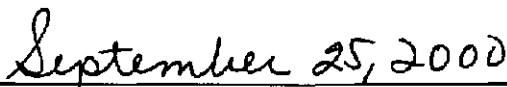
Date Signed

---

Bernard Bujak  
Industry Arbitrator

---

Date Signed



---

Date of Service (For NASD-DR office use only)

**CONCURRING ARBITRATORS' SIGNATURES**

---

John L. Braxton, Esq.  
Public Arbitrator, Presiding Chairman

---

Date Signed

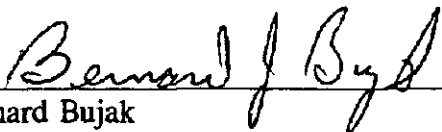
---

Edward Greer, Esq.  
Public Arbitrator

---

Date Signed

---

  
Bernard Bujak  
Industry Arbitrator

---

*9-21-2000*  
Date Signed

---

*September 25, 2000*  
Date of Service (For NASD-DR office use only)