

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

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In the Matter of the Arbitration Between:

Kevin T. Donovan and Sandra Gonzales, Claimants v. Presidential Brokerage, Inc. and Erik Simmons, Respondents.

Case Number: 99-03064

Hearing Site: San Diego, California

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**REPRESENTATION OF PARTIES**

For Claimants:

Stanley L. McDonald, Esq.  
Law Offices of Stanley L.  
McDonald  
San Diego, California

For Respondents:

Greg A. Johnson, Esq.  
Law Offices of Greg A.  
Johnson  
San Diego, California

**CASE INFORMATION**

Statement of Claim filed: June 30, 1999

Claimants' Uniform Submission Agreements signed: June 27, 1999

Joint Statement of Answer filed by Respondents Presidential Brokerage, Inc. and Erik Simmons:  
September 10, 1999

Respondent Presidential Brokerage, Inc.'s Uniform Submission Agreement signed: July 26, 1999

Respondent Erik Simmons' Uniform Submission Agreement signed: July 23, 1999

**CASE SUMMARY**

Claimants alleged breach of contract, breach of fiduciary duty, unsuitability, misrepresentation, churning, omissions of material facts, and unauthorized trading. The case involved the purchase of stock.

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



### **RELIEF REQUESTED**

Claimant Kevin T. Donovan requested \$12,000.00 in compensatory damages. Claimant Sandra Gonzalez requested \$17,00.00 in compensatory damages. Claimants also requested a total of \$20,000.00 in punitive damages.

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

The parties agreed that a handwritten, signed Award may be entered.

### **AWARD**

After considering the pleadings and the evidence presented at the hearing, the Arbitrator decided in full and final resolution of the issues submitted for determination as follows:

- 1) All of the Claimants' claims are denied in their entirety.
- 2) The parties shall each bear their respective costs, including attorney's fees.
- 3) All relief not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee	= \$ 175.00
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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 event of the dispute. Accordingly, the member firm Presidential Brokerage, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 800.00
Pre-Hearing process fee	= \$ 600.00
Hearing process fee	= \$ 1,000.00
<b>Total Member Fees</b>	<b>= \$ 2,400.00</b>



**Forum Fees and Assessments**

The Arbitration assessed a forum fee for each hearing session conducted. A hearing session is any meeting between the parties and the Arbitrator. The following fees are assessed:

(2) Hearing sessions @ \$ 450.00/Session	= \$ 900.00
Hearings: July 21, 2000 2 Sessions	

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<b>Total Forum Fees</b>	<b>= \$ 900.00</b>
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The Arbitrator assessed \$900.00 of the forum fees jointly and severally to Claimants Kevin T. Donovan and Sandra Gonzales.

**Fee Summary**

Claimants, Kevin T. Donovan and Sandra Gonzales, are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 175.00
Forum Fees	= \$ 900.00
Total Fees	= \$ 1,075.00
Less payments	= \$ (625.00)
<b>Balance Due NASD Regulations, Inc.</b>	<b>= \$ 450.00</b>

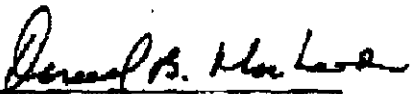
Respondent Presidential Brokerage, Inc. is charged with the following fees and costs:

Member Fees	= \$ 2,400.00
Less payments	= \$ 1,401.00
<b>Balance Due NASD Regulations, Inc.</b>	<b>= \$ 999.00</b>

All balances are payable to NASD Regulation, Inc. and are due within 30 days of the award's date of service.



Arbitrator's Signature

  
Daniel B. MacLeod  
Daniel B. MacLeod  
Chair, Public Arbitrator

6/27/00  
Signature Date

June 27, 2000  
Date of Service