

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

John Gerhold and Diane Gerhold, (Claimants) vs. Barron Chase Securities, Inc., Christopher Casdia, First Colonial Securities Group, Inc., First Security Investments, Inc., and Fiserv Correspondent Services, Inc., (Respondents)

Case Number: 99-04283

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants John Gerhold and Diane Gerhold, hereinafter collectively referred to as "Claimants", appeared *pro se*.

Respondents Barron Chase Securities, Inc. ("Barron") and Christopher Casdia ("Casdia"), until February 22, 2001 were represented by Eugene Michael Kennedy, Esq., Law Office of Eugene Michael Kennedy, P.A., Fort Lauderdale, FL. Thereafter, they appeared *pro se*.

Respondent First Colonial Securities Group, Inc. ("FCSG") represented by: Neil S. Baritz, Esq., Dreier & Baritz, LLP, Boca Raton, FL.

Respondent First Security Investments, Inc. ("FSI") represented by: David L. Braverman, Esq., Braverman Kaskey & Caprara, Philadelphia, PA.

Respondent Fiserv Correspondent Services, Inc. ("Fiserv"): Steven D. Plissey, Esq., Williams, Youle & Koenigs, P.C., Denver, CO.

CASE INFORMATION

Statement of Claim filed on or about: September 20, 1999.

Response to Barron and Casdia's Motion to Dismiss filed by Claimants on or about: February 22, 2000.

Response to FCSG's Motion to Dismiss filed by Claimants on or about: February 7, 2000.

Response to FSI's Motion to Dismiss filed by Claimants on or about: May 1, 2000.

Response to Fiserv's Motion to Dismiss filed by Claimants on or about: January 28, 2000.

Claimants signed the Uniform Submission Agreement: August 26, 1999.

Statement of Answer filed by Barron and Casdia on or about: February 9, 2000.

Motion to Dismiss filed by Barron and Casdia on or about: February 9, 2000.

Barron did not sign a Uniform Submission Agreement.

Casdia did not sign a Uniform Submission Agreement.

Statement of Answer and Motion to Dismiss filed by FCSG on or about: January 25, 2000.

FCSG did not sign a Uniform Submission Agreement.

Motion to Dismiss filed by FSI on or about: April 3, 2000.

FSI did not file a Statement of Answer or sign a Uniform Submission Agreement.

Statement of Answer and Motion to Dismiss filed by Fiserv on or about: January 18, 2000.

Fiserv signed the Uniform Submission Agreement: December 29, 1999.

CASE SUMMARY

Claimants asserted the following causes of action: failure to supervise; failure to know their customer; violations of the Securities Exchange Act of 1934; theft by deception; acts of oppression; and fraud. Claimants' claims involved unspecified securities.

Unless specifically admitted in their Answer, Barron and Casdia denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a cause of action for which the Panel can grant relief; Claimants' "injury" arises strictly and solely from Claimants' own failures; the Statement of Claim is a blatant fraudulent attempt to extract unjustified money from Barron and Casdia; and commencement of this arbitration proceeding by Claimants is a blatant abuse of process in the facilities provided by the NASD, Inc.

Unless specifically admitted in its Answer, Fiserv denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a claim upon which relief can be granted; Fiserv is not in any way liable for the actions of the other Respondents; Claimants' claims are barred by the doctrines of estoppel, assumption of risk, waiver, and laches; Claimants' claims are barred by their failure to mitigate their damages, if any; and Claimants' claims are barred by the applicable statute of limitations and/or by laches.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$55,000.00, and punitive damages in the amount of \$16,000,000.00.

Barron and Casdia requested immediate dismissal of the Statement of Claim, together with an Award of reasonable attorneys' fees, costs, and all other relief deemed appropriate by the Panel in the circumstances, including punitive, deterrent damages in their favor against Claimants. Barron and Casdia also requested an Order expunging this matter from the official records of Barron and Casdia in the Central Registration Depository and in the records of any other regulatory body with jurisdiction over them in the securities brokerage business.

Fiserv requested that the claims against it be denied, and that it be awarded attorneys' fees, expert witness fees, costs, and all other relief that the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing in this matter, the Panel granted the Motions to Dismiss of Casdia, FCSG, and FSI. Therefore these Respondents did not appear at the hearings in this matter.

During the hearing in this matter, Fiserv renewed its Motion for Summary Judgment on its Motion to Dismiss. After due deliberation, the panel determined to grant this Motion. Therefore, all claims against Fiserv were dismissed.

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Barron has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without Barron present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Barron, Casdia, FCSG, and FSI did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

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. Claimants' claims are hereby dismissed in their entirety.
2. All other requests for relief are hereby 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	= \$ 600.00
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At the time the claim was filed, the Director of Arbitration preliminarily waived the initial claim filing fee. The arbitrators have determined to assess Claimants this fee.

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, Barron Chase Securities, Inc., First Colonial Securities Group, Inc., First Security Investments, Inc., and Fiserv Correspondent Services, Inc. are parties.

Barron Chase Securities, Inc.

Member surcharge	= \$3,600.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$5,000.00

First Colonial Securities Group, Inc.

Member surcharge	= \$3,600.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$5,000.00

First Security Investments, Inc.

Member surcharge	= \$3,600.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$5,000.00

Fiserv Correspondent Services, Inc.

Member surcharge	= \$3,600.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$5,000.00

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. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$2,400.00
Pre-hearing conferences:	
December 5, 2000	1 session
March 1, 2001	1 session

Two (2) Hearing sessions x \$1,200.00	= \$2,400.00
Hearing Date:	
May 30, 2001	2 sessions
Total Forum Fees	= \$4,800.00

1. The Panel has assessed \$2,400.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$2,400.00 of the forum fees against Fiserv.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Forum Fees	= \$ 2,400.00
Total Fees	= \$ 3,000.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,000.00

2. Barron be and hereby is solely liable for:

Member Fees	= \$ 9,200.00
Total Fees	= \$ 9,200.00
Less payments	= \$ 3,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 5,600.00

3. FCSG be and hereby is solely liable for:

Member Fees	= \$ 9,200.00
Total Fees	= \$ 9,200.00
Less payments	= \$ 1,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 8,000.00

4. FSI be and hereby is solely liable for:

Member Fees	= \$ 9,200.00
Total Fees	= \$ 9,200.00
Less payments	= \$ 9,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

5. Fiserv be and hereby is solely liable for:

Member Fees	= \$ 9,200.00
Forum Fees	= \$ 2,400.00
Total Fees	= \$11,600.00
Less payments	= \$ 9,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,400.00

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

ARBITRATION PANEL

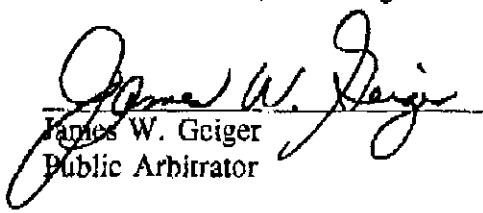
Edwin A. Howe, Jr., J.D.	-	Public Arbitrator, Presiding Chair
James W. Geiger	-	Public Arbitrator
Barry R. Lax, Esq.	-	Industry Arbitrator

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.

Edwin A. Howe, Jr., J.D.
Public Arbitrator, Presiding Chair

Signature Date



James W. Geiger
Public Arbitrator

7/9/01

Signature Date

Barry R. Lax, Esq.
Industry Arbitrator

Signature Date

July 10, 2001


Date of Service (For NASD office use only)

ARBITRATION PANEL

Edwin A. Howe, Jr., J.D.	-	Public Arbitrator, Presiding Chair
James W. Geiger	-	Public Arbitrator
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Public Arbitrator, Presiding Chair

7/7/01

Signature Date

James W. Geiger
Public Arbitrator

Signature Date

Barry R. Lax, Esq.
Industry Arbitrator

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RECIPIENTS:
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Edwin A. Howe, Jr., Esq.
Barry R. Lax, Esq.

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