

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

F. Donald Ahee

and

99-04389
Phoenix, Arizona

Name of Respondents

Quick & Reilly, Inc.
Larry Gene Morton, Jr.

REPRESENTATION OF PARTIES

F. Donald Ahee ("**Claimant**") was represented by Eugene Zlaket, Esq., Tucson, Arizona.

Quick & Reilly, Inc. ("**Respondent Q & R**") and Larry Gene Morton, Jr. ("**Respondent Morton**") (collectively as "**Respondents**") were represented by Philip McLeod, Esq., Keesal Young & Logan, San Francisco, California.

CASE INFORMATION

The Statement of Claim was filed on or about September 27, 1999. Submission Agreement of Claimant F. Donald Ahee was signed on September 20, 1999.

Statement of Answer was filed by Respondent Quick & Reilly, Inc. on or about December 14, 1999. Submission Agreement of Respondent Quick & Reilly, Inc. was signed on December 8, 1999 by Brian McSherry. Submission Agreement of Respondent Larry Gene Morton, Jr. was signed on December 1, 1999.

CASE SUMMARY

Claimant alleged that Respondent Larry Morton was negligent in failing to advise him that Quick & Reilly required 65% equity in his account for the purchase of shares of CMGI, Inc. on margin.

Respondents submitted the following summary:

Respondents admitted to having mistakenly told the Claimant the margin requirement on CMGI stock was 50% rather than 65% at the time he purchased 3,000 shares. Respondents asserted that this mistake had caused Claimant to purchase 606 shares more of CMGI stock

than he otherwise would have ordered. Respondents argued that Claimant's damages should, therefore, be limited to his \$19.50 per share out-of-pocket loss on 606 shares - \$11,817. Respondents maintained that they had not proximately caused Claimant's loss on his other 2,394 shares of CMGI because, given his history of using maximum margin, he would have purchased those shares, even with the 65% margin requirement. Respondents further argued that the Claimant had sold all 3,000 shares of CMGI against their advice and without giving Respondents an opportunity to get the margin requirement reduced.

RELIEF REQUESTED

Claimant requested an award in the amount of \$58,500, interest at the rate of 10% from June 11, 1999, and reasonable attorneys' fees and costs incurred in connection with this arbitration.

Respondents requested that (1) Claimant's compensatory damages be no greater than \$11,817; (2) Claimant's request for attorneys' fees be denied; and (3) the Panel indicate in the Award its willingness to have Mr. Morton's Central Registration Department record expunged of any reference to this claim.

OTHER ISSUES CONSIDERED & 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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, if any, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Quick & Reilly, Inc. shall be and hereby is liable for and shall pay to Claimant F. Donald Ahee the sum of \$14,000 (**Fourteen Thousand Dollars**) as compensatory damages.
2. Interest at the rate of 10% per annum is awarded on the above stated sum from and inclusive of June 11, 1999 to and inclusive of the date this award is paid in full.
3. Respondent Quick & Reilly, Inc. shall be and hereby is liable for and shall pay to Claimant F. Donald Ahee the sum of \$14,758.75 (**Fourteen Thousand Seven Hundred Fifty Eight Dollars and Seventy Five Cents**) as attorneys' fees and \$7,531.81 (**Seven Thousand Five Hundred Thirty One Dollars and Eighty One Cents**) as costs.

4. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
5. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees not specifically enumerated above.

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 = \$225.00

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 is Quick & Reilly, Inc.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Adjournment Fees

Adjournments requested during these proceedings:

July 17, 2000, adjournment requested by party Respondent Quick & Reilly = \$ 750.00

Forum Fees and Assessments

The Arbitration 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(s) with Panel	x \$750.00	= \$ 750.00
Pre-hearing conference(s):	April 24, 2000 1 session	

Two (2) Hearing sessions x \$750.00 = \$1,500.00
Hearing Date(s): October 17, 2000 2 sessions
Total Forum Fees = \$2,250.00

The Arbitration Panel has assessed \$2,250.00 of the forum fees to Quick & Reilly, Inc.

Fee Summary

Claimant, F. Donald Ahee, shall be and hereby is liable for:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$ 225.00
<u>Less payments</u>	= \$ 975.00
Balance to be refunded by NASD Dispute Resolution, Inc.	= \$ 750.00

Respondent, Quick & Reilly, Inc., shall be and hereby is liable for:

Member Fees	= \$3,100.00
Adjournment Fee	= \$ 750.00
<u>Forum Fees</u>	= \$2,250.00
Total Fees	= \$6,100.00
<u>Less payments</u>	= \$3,850.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,250.00

All balances are due to NASD Dispute Resolution, Inc.

Dated:

/s/ Keith Folkman
Keith Folkman
Public Arbitrator, Presiding Chair

November 14, 2000

/s/ Albert Sterman
Albert Sterman
Public Arbitrator

November 14, 2000

/s/ Robert W. Plenge
Robert W. Plenge
Industry Arbitrator

November 29, 2000

NASD Dispute Resolution, Inc.
Arbitration No. 99-04389
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Public Arbitrator, Presiding Chair

11-14-2000

Albert Sterman
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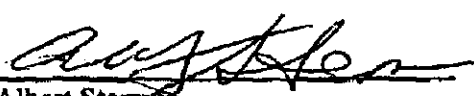
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Public Arbitrator, Presiding Chair



Albert Sternman
Public Arbitrator

Robert W. Plenge
Industry Arbitrator

11/14/00

NASD Dispute Resolution, Inc.

Arbitration No 99-04389

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11-29-00