

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Gene and Pat Aloï, Claimants v. Allen Douglas Securities, Inc., Andrew Melville, Stephen D. Pizzuti, and Larry S. Kase, Respondents

Case Number: 99-04424

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimants:

Stephen A. Baker, Esq.
Allan & Shipp, P.A.
St. Petersburg, Florida

For Respondent Allen Douglas Securities, Inc.:

Stephen Douglas Pizzuti
Allen Douglas Securities, Inc.
Winter Park, Florida

For Respondent Andrew Melville:

Andrew Melville For Respondent Andrew
In Pro Per
Altamonte Springs, Florida

For Respondent Stephen D. Pizzuti:

Stephen D. Pizzuti
In Pro Per
Winter Park, Florida

For Respondent Larry S. Kase:

Larry S. Kase
In Pro Per
Park City, Utah

CASE INFORMATION

Statement of Claim filed: September 1, 1999

Claimants Gene and Pat Aloï's Uniform Submission Agreement signed: November 4, 1999

Joint Statement of Answer filed by Respondents Allen Douglas Securities, Inc., Stephen D. Pizzuti, and Larry S. Kase: January 11, 2000

Respondent Allen Douglas Securities, Inc.'s Uniform Submission Agreement signed: January 11, 2000

Respondent Stephen D. Pizzuti's Uniform Submission Agreement signed: January 11, 2000

Respondent Larry S. Kase's Uniform Submission Agreement signed: January 11, 2000

CASE SUMMARY

Claimants alleged unauthorized trading, negligence, churning, excessive trading, failure to supervise, breach of fiduciary duty, fraudulent mismanagement, breach of contract, and civil theft.

Respondents Allen Douglas Securities, Inc., Stephen D. Pizzuti, and Larry S. Kase denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

Respondent Andrew Melville did not file a Statement of Answer.

RELIEF REQUESTED

Claimants requested \$188,655.00 in actual damages, \$138,000.00 in compensatory damages for civil theft, \$414,000.00 in treble damages, and \$1,000,000.00 in punitive damages. Additionally, Claimants requested lost profits, interest, and reimbursement of attorney's fees and arbitration costs.

Respondents Allen Douglas Securities, Inc., Stephen D. Pizzuti, and Larry S. Kase requested dismissal of the Claimants' Statement of Claim in its entirety, and sought reimbursement of attorney's fees and arbitration costs. Additionally, Respondent Larry S. Kase requested the panel's permission to file a counterclaim, requested a hearing on the merits, expungement of his CRD record, and dismissal with prejudice.

OTHER ISSUES CONSIDERED AND DECIDED

On April 12 2001, NASD Dispute Resolution, Inc. received notification from the Claimants that the case settled.

Respondent Andrew Melville did not file with the NASD Dispute Resolution, Inc. a properly executed submission agreement; but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

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

- 1) Respondent Larry S. Kase is dismissed without prejudice.
- 2) Respondent Larry S. Kase's request to expunge his CRD record is denied.
- 3) Respondent Larry S. Kase's request to file a counterclaim is denied.
- 4) Respondent Larry S. Kase's request for a hearing on the merits is denied.
- 5) Respondent Larry S. Kase's request for dismissal with prejudice is denied.
- 6) The parties shall bear their respective costs, including attorney's fees.

7) All other relief requested and 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 = \$ 500.00

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 which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Allen Douglas Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 2,500.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 4,500.00
Total Member Fees	= \$ 7,600.00

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 Arbitrator/Panel. The following fees are assessed:

1 Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: February 12, 2001 1 session	
2 Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 2,400.00
Pre-hearing conferences: July 26, 2000 1 session	
August 4, 2000 1 session	
Total Forum Fees	= \$ 2,850.00

1. The Panel assessed \$ 1,425.00 of the forum fees jointly and severally to Claimants Gene and Pat Aloï.
2. The Panel assessed \$ 1,425.00 of the forum fees jointly and severally to Respondents Allen Douglas Securities, Inc., Andrew Melville, Stephen D. Pizzuti, and Larry S. Kase.

Fee Summary

1. Claimants Gene and Pat Aloï are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 1,425.00
Total Fees	= \$ 1,925.00
Less payments	= \$(1,700.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 225.00
2. Respondent Allen Douglas Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 7,600.00
Less payments	= \$(7,600.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

NASD Dispute Resolution, Inc.

Arbitration No. 99-04424

Award Page 5 of 6

3. Respondents Allen Douglas Securities, Inc., Andrew Melville, Stephen D. Pizzuti, and Larry S. Kase are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,425.00
<u>Less Payments by Allen Douglas Securities, Inc.</u>	<u>= \$ (1,425.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

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

ARBITRATION PANEL

Michael Steven Carona	-	Public Arbitrator, Presiding Chair
James L. Connell	-	Public Arbitrator
Dorothy B. Strackbein, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Michael Steven Carona
Chair, Public Arbitrator

11.13.01
Signature Date

James L. Connell
Public Arbitrator

Signature Date

James L. Connell
Public Arbitrator

Dorothy B. Strackbein, CFP
Non-Public Arbitrator

Signature Date

Dorothy B. Strackbein, CFP
Non-Public Arbitrator

11/16/01
Date of Service

ARBITRATION PANEL

Michael Steven Carona	-	Public Arbitrator, Presiding Chair
James L. Connell	-	Public Arbitrator
Dorothy B. Strackbein, CFP	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Michael Steven Carona
Chair, Public Arbitrator

Signature Date

James L. Connell
Public Arbitrator

Signature Date



Dorothy B. Strackbein, CFP
Non-Public Arbitrator

Signature Date

11/16/01
Date of Service