

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

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*In the Matter of the Arbitration Between*

*Name of Claimant*

Kathryn Judith Koch

Case No. 99-04703

*Names of Respondents*

James C. Taylor  
Southern Financial Group, Inc.

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**REPRESENTATION OF PARTIES**

Kathryn Judith Koch, hereinafter referred to as "Claimant", appeared pro se.

For Respondent Southern Financial Group, Inc. ("SFG"): Russell L. Forkey, Esq., Ft. Lauderdale, FL.

Respondent James C. Taylor ("Taylor") appeared pro se.

**CASE INFORMATION**

Statement of Claim filed on or about: October 18, 1999.

Claimant signed the Uniform Submission Agreement: October 9, 1999.

Statement of Answer filed by Respondent SFG on or about: December 28, 1999.

Respondent SFG signed the Uniform Submission Agreement: December 10, 1999.

Statement of Answer filed by Respondent Taylor on or about: December 14, 1999.

Respondent Taylor signed the Uniform Submission Agreement: December 18, 1999.

**CASE SUMMARY**

Claimant alleged that Respondent Taylor provided her with incorrect information and misappropriated her funds.

Unless specifically admitted in its Answer, Respondent SFG denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant was fully informed of the activity in her accounts and any losses sustained were caused by her own actions or by market conditions or events which were beyond the control of Respondent SFG. All of the transactions in Claimant's account were suitable and in accordance with all regulatory requirements. Respondent SFG acted in good faith and in accordance with Claimant's

instructions. Claimant has not set forth sufficient causes of action which would entitle her to relief against SFG. Respondent SFG maintained adequate and reasonable supervision and control over its employees. Claimant's claims are barred by the doctrine of estoppel and the economic loss doctrine. Claimant is not entitled to attorneys' fees, punitive damages, interest, or the costs of this proceeding.

Respondent Taylor denied the allegations made in the Statement of Claim.

### **RELIEF REQUESTED**

Claimant requested compensatory damages of \$3,767.70.

Respondent SFG requested dismissal of the Statement of Claim, attorneys' fees, and such other and further relief that the Arbitrator deemed just and appropriate.

Respondent Taylor requested dismissal of the Statement of Claim and expungement of all references to the above-captioned arbitration from his registration records maintained by the NASD Central Registration Depository.

### **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 Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Claimant's Statement of Claim is dismissed in its entirety.

Respondent Taylor's request for expungement is denied.

All other relief requests not specifically addressed herein 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	= \$ 50.00
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### 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, SFG, is a party.

Member surcharge = \$ 200.00

### Forum Fees and Assessments

The Arbitrator 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:

Three (3) Pre-hearing sessions with a single arbitrator x \$125.00 = \$ 375.00

Pre-hearing conferences:    May 3, 2000            1 session  
                                     July 11, 2000            1 session  
                                     July 19, 2000            1 session

Two (2) Hearing sessions x \$125.00 = \$ 250.00

Hearing Date:                December 18, 2000    2 sessions

Total Forum Fees = \$ 625.00

The Arbitrator has assessed \$250.00 of the forum fees to Claimant.

The Arbitrator has assessed \$375.00 of the forum fees to Respondent Taylor.

### Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 50.00
Forum Fees	= \$ 250.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ <u>175.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 125.00

Respondent SFG be and hereby is solely liable for:

Member Fees	= \$ 200.00
Total Fees	= \$ 200.00
<u>Less payments</u>	= \$ <u>200.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Taylor be and hereby is solely liable for:

Forum Fees	= \$ 375.00
Total Fees	= \$ 375.00
<u>Less payments</u>	= \$ <u>0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 375.00

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

**Arbitrator's Signature**

/s/

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Will Murphy, Esq.  
Public Arbitrator

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Signature Date

January 26, 2001

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

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

Arbitrator's Signature

  
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Will Murphy Esq.  
Public Arbitrator

26 January 2001  
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Signature Date

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