

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Gloria Hunt Allen

and

99-04727
Tucson, Arizona

Name of Respondents

FFP Securities, Inc.
Conrad Thomas Corcoran
Catalina Investment

REPRESENTATION OF PARTIES

Gloria Hunt Allen ("**Claimant**") was represented by J. Emery Baker, Mesch, Clark & Rothschild, P.C., Tucson, Arizona.

FFP Securities, Inc. ("**Respondent FFP**"), Conrad Thomas Corcoran ("**Respondent Corcoran**") and Catalina Investment ("**Respondent Catalina**") (collectively as "**Respondents**") were represented by L. Steven Goldblatt, Esq., Kodner Watkins Muchnick & Dunne, L.C., St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about October 19, 1999. Submission Agreement of Claimant Gloria Hunt Allen was signed on October 11, 1999.

Statement of Answer was filed by Respondents FFP Securities, Inc., Conrad Thomas Corcoran and Catalina Investment on or about February 23, 2000. Submission Agreement of Respondent FFP Securities, Inc. was signed on January 17, 2000 by Stephen L. Koenig. Submission Agreement of Respondent Conrad Thomas Corcoran was signed on June 9, 2000. Submission Agreement of Respondent Catalina Investment was signed on June 9, 2000 by Conrad Thomas Corcoran.

CASE SUMMARY

Claimant alleged that the actions of Respondents constituted negligence, breach of fiduciary duty, failure to exercise management supervision, and fraud under the Arizona Securities law. Specifically, Claimant alleged that Respondents failed to adequately advise Claimant on the income tax implications of liquidating the marketable securities to make the taxable gifts and to purchase bonds. Claimant alleged that she was never advised that she could have "disclaimed" certain of the

inherited items at a considerable savings. It was further alleged that Respondents breached their professional and fiduciary duties to her by recommending and effecting the sale of three quality, dividend-paying securities in her account during January 1997 to pay for the purchase of four separate, collateralized mortgage obligations (CMOs) that were not only not suitable but also not necessary for her.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that the CMO purchases were suitable in light of Claimant's goal of conservation of principal and production of income. Respondents also stated that any liability for tax advice rendered to Claimant would seem to rest with her attorney and/or her CPA.

RELIEF REQUESTED

Claimant requests that she be granted an arbitration award against the respondents for the following:

- A. General and special damages to be determined at hearing (unspecified in the original filing and later estimated to be \$100,000).
- B. Reasonable attorneys' fees and costs.
- C. Punitive damages.
- D. Other legal and equitable relief that the arbitrators may award as reasonable and just

Respondents requested that the claims asserted against them be denied in their entirety.

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

1. Respondents FFP Securities, Inc. and Conrad Corcoran shall be and hereby are jointly and severally liable for and shall pay to Claimant Gloria Hunt Allen the sum of \$109,155 (One Hundred Nine Thousand One Hundred Fifty Five Dollars) as compensatory damages.
2. Interest at the rate of 10% per annum is awarded on the above stated sum from and inclusive of April 15, 1997 to and inclusive of the date this award is paid.

3. Respondents FFP Securities, Inc. and Conrad Corcoran shall be and hereby are jointly and severally liable for and shall pay to Claimant Gloria Hunt Allen the sum of \$15,000 (**Fifteen Thousand Dollars**) as attorneys' fees. In making this award of attorneys' fees, the undersigned arbitration panel finds that it has the authority to so award attorneys' fees under A.R.S. §12-341.
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.

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 = \$300.00

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 FFP Securities, Inc..

Member surcharge = \$1,200.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$1,500.00

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 \$1,125.00 = \$1,125.00

Pre-hearing conference(s): August 23, 2000 1 session

Number (#) Hearing sessions x \$1,125.00 = \$4,500.00

Hearing Date(s): November 15, 2000 2 sessions
November 16, 2000 2 session

Total Forum Fees = \$5,625.00

The Arbitration Panel has assessed \$2,812.50 of the forum fees to Gloria Hunt Allen.

The Arbitration Panel has assessed \$2,812.50 of the forum fees jointly and severally to FFP Securities, Inc. and Conrad Thomas Corcoran.

Fee Summary

Claimant, Gloria Hunt Allen, shall be and hereby is liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= <u>\$2,812.50</u>
Total Fees	= \$3,112.50
<u>Less payments</u>	= <u>\$1,525.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,587.50

Respondent, FFP Securities, Inc., shall be and hereby is liable for:

Member Fees	= \$3,300.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$3,300.00
<u>Less payments</u>	= <u>\$3,300.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondents, FFP Securities, Inc. and Conrad Thomas Corcoran, shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= <u>\$2,812.50</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2,812.50

All balances are due to NASD Dispute Resolution, Inc.

Dated:

/s/ Pamela M. Katzenberg

Pamela M. Katzenberg, Esq.
Public Arbitrator, Presiding Chair

December 1, 2000

/s/ Mandel E. Himmelstein

Mandel E. Himmelstein, Esq.
Public Arbitrator

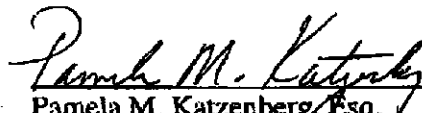
/s/ Richard M. Leigh

Richard M. Leigh
Industry Arbitrator

November 30, 2000

NASD Dispute Resolution, Inc.
Arbitration No. 99-04727
Award Page 5 of 5

All balances are due to NASD Dispute Resolution, Inc.


Pamela M. Katzenberg, Esq.
Public Arbitrator, Presiding Chair

Dated:

12/1/00

Mandel E. Himmelstein, Esq.
Public Arbitrator

Richard M. Leigh
Industry Arbitrator

FROM: HIMELSTEIN

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NASD Dispute Resolution, Inc.
Arbitration No. 99-04727
Award Page 5 of 5

All balances are due to NASD Dispute Resolution, Inc.

Dated:

Pamela M. Katzenberg, Esq.
Public Arbitrator, Presiding Chair


Mandel E. Himmelstein, Esq.
Public Arbitrator

Richard M. Leigh
Industry Arbitrator

NASD Dispute Resolution, Inc.
Arbitration No. 99-04727
Award Page 5 of 5

— All balances are due to NASD Dispute Resolution, Inc.

Dated:

Pamela M. Katzenberg, Esq.
Public Arbitrator, Presiding Chair

Mandel E. Himmelstein, Esq.
Public Arbitrator



Richard M. Leigh
Industry Arbitrator

11/28/00
