

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

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**In the Matter of the Arbitration Between:**

William Donovan and Cheryl Donovan, (Claimants) v. J.B. Sutton Group, Inc. and Bill Grundig, (Respondents)

Case Number: 99-05196

Hearing Site: Chicago, Illinois

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**REPRESENTATION OF PARTIES**

Claimant William Donovan and Cheryl Donovan ("Donovan"): Peter W. Vogt, Cozen & O'Connor: Charlotte, North Carolina.

Respondent J.B. Sutton Group, Inc. and Bill Grundig ("Grundig") hereinafter collectively referred to as "Respondents": Michael S. Finkelstein, Esq.: Garden City, New York

**CASE INFORMATION**

Statement of Claim filed on or about: November 18, 1999

Amended Statement of Claim filed on or about: February 17, 2000

Response to Respondent's Motion to Dismiss: April 05, 2000

Claimant Donovan signed the Uniform Submission Agreement: November 09, 1999

Statement of Answer and Motion to Dismiss filed by Respondents J.B. Sutton and Grundig on or about: February 18, 2000

Amended Statement of Answer and Motion to Dismiss filed by Respondents J.B. Sutton and Grundig on or about: March 09, 2000

Respondent J.B. Sutton signed the Uniform Submission Agreement: February 12, 2000

Respondent Grundig signed the Uniform Submission Agreement: February 12, 2000

**CASE SUMMARY**

Claimants asserted the following causes of action: Unsuitability and Violation of Securities Laws. The causes of action relate to the order execution of U.T.S. Healthcore.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Failure to State a Claim ,

Estoppel, Waiver, Comparative Fault, Lack of Diligence, Failure to Conduct their own Financial Affairs Reasonably and Responsibly Bars Recovery, Authorization of all Transactions, Failure to Mitigate, and Statute of Limitations.

**RELIEF REQUESTED**

**Claimants requested:**

Compensatory Damages	\$80,000.00
Attorneys' Fees	unspecified
Other Costs	unspecified

**Respondents requested:**

Other Monetary/NonMonetary Relief	Dismissal
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**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. Respondent Bill Grundig is liable to Claimants William Donovan and Cheryl Donovan in the amount of \$2,500.00 as compensatory damages.
2. Respondent J.B. Sutton Group, Inc. is liable to Claimants William Donovan and Cheryl Donovan in the amount of \$17,500.00 as compensatory damages.
3. Respondent J.B. Sutton Group, Inc. shall reimburse Claimants William Donovan and Cheryl Donovan the \$225.00 filing fee.
4. Any and all costs will be borne by the party incurring it, including attorney's fees.
5. Any and all relief not specifically addressed herein, is 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	= \$225.00
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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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,000.00
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Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$1,500.00</u>
Total Member Fees	= \$3,100.00

**Forum Fees and Assessments**

The panel has the authority to assess 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 \$750.00	= \$1,500.00
Pre-hearing conferences:     October 16, 2000	1 session
November 14, 2000	1 session

Two (2) Hearing sessions x \$750.00	= \$1,500.00
<u>Hearing Date:</u> April 23, 2001	<u>2 sessions</u>
Total Forum Fees	= \$3,000.00

1. The panel has assessed \$3,000.00 of the forum fees to Respondent J.B. Sutton

**Fee Summary**

1. Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 225.00
Total Fees	= \$ 225.00
<u>Less payments</u>	<u>= \$ 975.00</u>
Balance Due From NASD Dispute Resolution, Inc.	= \$ 750.00

2. Respondent J.B. Sutton is solely liable for:

Member Fees	= \$ 3,100.00
<u>Forum Fees</u>	<u>= \$ 3,000.00</u>
Total Fees	= \$ 6,100.00
<u>Less payments</u>	<u>= \$ 1,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,500.00

All balances are due to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

Robert C. Bonges, Esq.	-	Public/Non-Public, Presiding Chair
Otto K. Hilbert, II, Esq.	-	Public/Non-Public Arbitrator
Randall B. Gold, Esq.	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/ Robert C. Bonges

06/13/01

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Robert C. Bonges, Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

/s/ Otto Hilbert

06/13/01

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Otto K. Hilbert, II, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

/s/ Randall B. Gold

06/07/01


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Randall B. Gold, Esq.  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

06/15/01

\_\_\_\_\_  
Date of Service (For NASD-Dispute Resolution office use only)

Concurring Arbitrators' Signatures



Robert C. Bonges, Esq.  
Public Arbitrator, Presiding Chair

6/13/01  
Signature Date

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Otto K. Hibert, II, Esq.  
Public Arbitrator

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Signature Date

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Randall B. Gold, Esq.  
Non-Public Arbitrator

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Signature Date

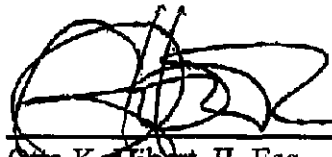
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NASD Dispute Resolution, Inc.  
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Public Arbitrator, Presiding Chair

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Randall B. Gold, Esq.  
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