

AWBFC
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Linda Massaro

Case No. 99-00950

Names of Respondents

Aragon Financial Services, Inc.
Lewis M. McConnell
David L. Shelbrick

REPRESENTATION OF PARTIES

For Linda Massaro ("Massaro"), hereinafter also referred to as "Claimant": Jeffrey P. Coleman, Esq., Clearwater, Florida.

For Aragon Financial Services, Inc. ("Aragon"), Lewis M. McConnell ("McConnell") and David L. Shelbrick ("Shelbrick"), hereinafter also collectively referred to as "Respondents": Scott L. Warfinan, Esq. of Scott L. Warfinan, P.A., Miami, Florida.

CASE INFORMATION

Statement of Claim filed on or about: March 2, 1999.
Claimant signed the Uniform Submission Agreement on: March 4, 1999.
Joint Statement of Answer filed by Respondents on or about: July 9, 1999.
Respondent Aragon's Uniform Submission Agreement signed on: May 14, 1999 by Douglas Lish, President, on behalf of the firm.
Respondent McConnell signed the Uniform Submission Agreement on: June 13, 1999.
Respondent Shelbrick signed the Uniform Submission Agreement on: July 12, 1999.

CASE SUMMARY

Claimant asserted the following causes of action in connection with: unsuitability; misrepresentation; omissions; breach of fiduciary duty; breach of written contract; and negligence. Claimant alleged that the foregoing causes of action relate to a \$50,000 investment in notes of Keller Financial Services and a Millennium Income Trust Note in the amount of \$20,000.00 purchased from the Respondent. Claimant further alleged that Respondent Aragon is liable under the theory of Respondeat Superior.

Unless specifically admitted in their Statement of Answer, Respondents denied the allegations of wrongdoing contained in the Statement of Claim and asserted the following: Between 1994 and 1995, Claimant invested in two promissory notes offered by two separate companies unrelated to Respondent Aragon. Respondent Aragon, through its registered representatives, offered these investments to its customers; Claimant was fully informed as to the risks of the

promissory notes; Claimant received and reviewed the offering memoranda which disclosed the risks of these investments; Respondents made no misrepresentations to the Claimant; Claimant's allegations are barred by the applicable statutes of limitations; and, as to the claims based on secondary liability, absent an underlying primary violation of the securities laws, these claims are without merit.

RELIEF REQUESTED

Claimant requested the following: compensatory damages in the amount of \$70,000.00; punitive damages in an amount to be determined by the Panel; all costs; expenses; disbursements; a return of the filing fees and forum fees paid to NASD Dispute Resolution, Inc.; and, such other relief deemed just and proper by the Panel.

Respondents requested that the Statement of Claim be dismissed with prejudice.

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, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Aragon and Shelbrick are found liable, jointly and severally, and shall pay to Claimant compensatory damages in the amount of \$61,744.53, inclusive of Interest.
2. Respondent Aragon is found liable and shall pay to Claimant, costs in the amount of \$2,204.95.
3. Respondent McConnell is found not liable and, therefore, all claims against him are hereby denied.
4. All other requests for relief 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 = \$150.00

This fee was waived by NASD Dispute Resolution, Inc.

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 persons 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
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$1,500.00

Forum Fees and Assessments

The Panel assesses 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 a single arbitrator x \$300.00 = \$600.00
Pre-hearing conference dates: April 5, 2000 1 session
November 9, 2000 1 session

Two (2) Pre-hearing sessions with the Panel x \$500.00 = \$1,000.00
Pre-hearing conference dates: November 4, 1999 1 session
June 6, 2000 1 session

Eleven (11) Hearing sessions x \$500.00 = \$5,500.00
Hearing Dates: April 11, 2000 2 sessions
April 12, 2000 2 sessions
October 17, 2000 2 sessions
October 18, 2000 2 sessions
November 29, 2000 3 sessions

Total Forum Fees = \$7,100.00

The Panel has assessed the total forum fees of \$7,100.00 to Respondent Aragon

Fee Summary

Respondent Aragon be and hereby is solely liable for:

Member Fees = \$ 3,100.00
Forum Fees = \$ 7,100.00
Total Fees = \$10,200.00
Less payments = \$ 4,600.00
Balance Due NASD Dispute Resolution, Inc = \$ 5,600.00

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

Concurring Arbitrators' Signatures

David A. Weintraub, Esq.
Industry Arbitrator/Chairperson

Signature Date

James W. Geiger, Esq.
Public Arbitrator/Panelist

Signature Date



Monroe Mitchell
Public Arbitrator/Panelist

Signature Date

Monroe Mitchell
Public Arbitrator/Panelist

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

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