
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Louis Maas
Susan Maas
Lou Maas IRA
Susan Maas IRA

Case Number: 03-08764

Name of the Respondent

Raymond James Financial Services, Inc.

Hearing Site: Tampa, FL

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Louis Maas, Susan Maas, Lou Maas IRA, and Susan Maas IRA, hereinafter collectively referred to as "Claimants": Jeffrey P. Coleman, Esq., Clearwater, FL.

For Raymond James Financial Services, Inc. ("RJF"), hereinafter referred to as "Respondent": George L. Guerra, Esq., Tate, Lazarini & Beall, PLC, Tampa, FL.

CASE INFORMATION

Statement of Claim filed on or about: December 11, 2003.

Claimants signed but did not date the Uniform Submission Agreement.

Statement of Answer filed by Respondent on or about: February 5, 2004.

Respondent signed but did not date the Uniform Submission Agreement.

Claimants' Petition to Allow Filing Reply to Respondent's Answer or, in the Alternative, for Amendment of the Statement of Claim and, if Necessary, Postponement ("Motion to File Reply") filed on or about: February 28, 2005.

Respondent's Opposition to Claimants' Motion to File Reply filed on or about: March 1, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: negligent supervision; violations of Florida Statutes, Chapter 517; negligence; gross negligence; breach of fiduciary duty; breach of contract; and, violation of industry standards. The causes of action relate to the purchase of unspecified securities products in Claimants' accounts.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages between \$500,000.00 and \$1,000,000.00, interest,

punitive damages, determination of entitlement to attorneys' fees, disgorgement of commissions and fees, costs, and such other and further relief as the undersigned arbitrators (the "Panel") deemed just and proper.

Respondent requested dismissal of the Statement of Claim, attorneys' fees, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 7, 2005, the Panel issued an order which granted Claimants' Motion to File a Reply and denied Claimants' request for postponement.

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 testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable for violating Florida Statutes §517.301, negligent supervision, and common law negligence and shall pay to Claimants compensatory damages in the sum of \$419,202.00, plus pre-judgment interest at the rate of 4% per annum accruing from August 7, 2001 until the date of payment of the Award.

The Panel leaves the issues of entitlement to and amount of attorneys' fees to a court of competent jurisdiction to decide.

Respondent is liable and shall pay to Claimants costs in the sum of \$17,856.51, based on Claimants' affidavit.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$ 375.00

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. Accordingly, RJF is a member firm and a party.

Member surcharge = \$2,250.00
Pre-hearing process fee = \$ 750.00

Hearing process fee = \$4,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were assessed during these proceedings.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No three-day cancellation fees were assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

| | |
|--|---------------------|
| Two (2) Pre-hearing sessions with the Panel @ \$1,200.00/session | = \$ 2,400.00 |
| Pre-hearing conferences: | |
| May 24, 2004 | 1 session |
| March 2, 2005 | 1 session |
| Eight (8) Hearing sessions with the Panel @ \$1,200.00/session | = \$ 9,600.00 |
| Hearing Dates: | |
| March 8, 2005 | 2 sessions |
| March 9, 2005 | 2 sessions |
| March 10, 2005 | 2 sessions |
| March 11, 2005 | 2 sessions |
| <hr/> Total Forum Fees | <hr/> = \$12,000.00 |

The Panel assessed the total forum fees of \$12,000.00 to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

| | |
|--|-------------|
| <u>Initial Filing Fee</u> | = \$ 375.00 |
| <u>Total Fees</u> | = \$ 375.00 |
| <u>Less payments</u> | = \$ 375.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$ 0.00 |

Respondent is solely liable for:

| | |
|--|---------------|
| <u>Member Fees</u> | = \$ 7,000.00 |
| <u>Forum Fees</u> | = \$12,000.00 |
| <u>Total Fees</u> | = \$19,000.00 |
| <u>Less payments</u> | = \$ 7,000.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$12,000.00 |

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

ARBITRATION PANEL

| | | |
|--------------------------|---|--|
| Gayle B. Carlson, Esq. | - | Public Arbitrator, Presiding Chairperson |
| William J. Schifino, Jr. | - | Public Arbitrator |
| Norman L. Reiter | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

/s/
Gayle B. Carlson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
William J. Schifino, Jr.
Public Arbitrator

Signature Date

/s/
Norman L. Reiter
Non-Public Arbitrator

Signature Date

March 21, 2005
Date of Service (For NASD Dispute Resolution use only)

MAR. 21. 2005 12:02PM NASD BOCA RATON

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NASD Dispute Resolution
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Fee Summary

Claimants are jointly and severally liable for:

| | |
|--|-------------|
| <u>Initial Filing Fee</u> | = \$ 375.00 |
| <u>Total Fees</u> | = \$ 375.00 |
| <u>Less payments</u> | = \$ 375.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$ 0.00 |

Respondent is solely liable for:

| | |
|--|---------------|
| <u>Member Fees</u> | = \$ 7,000.00 |
| <u>Forum Fees</u> | = \$12,000.00 |
| <u>Total Fees</u> | = \$19,000.00 |
| <u>Less payments</u> | = \$ 7,000.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$12,000.00 |

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

ARBITRATION PANEL

- Gayle B. Carlson, Esq. - Public Arbitrator, Presiding Chairperson
- William J. Schifino, Jr. - Public Arbitrator
- Norman L. Reiter - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Gayle B. Carlson
 Gayle B. Carlson, Esq.
 Public Arbitrator, Presiding Chairperson

3/21/05
Signature Date

William J. Schifino, Jr.
 William J. Schifino, Jr.
 Public Arbitrator

Signature Date

Norman L. Reiter
 Norman L. Reiter
 Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

Fee Summary

Claimants are jointly and severally liable for:

| | |
|--|-------------|
| <u>Initial Filing Fee</u> | = \$ 375.00 |
| <u>Total Fees</u> | = \$ 375.00 |
| <u>Less payments</u> | = \$ 375.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$ 0.00 |

Respondent is solely liable for:

| | |
|--|---------------|
| <u>Member Fees</u> | = \$ 7,000.00 |
| <u>Forum Fees</u> | = \$12,000.00 |
| <u>Total Fees</u> | = \$19,000.00 |
| <u>Less payments</u> | = \$ 7,000.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$12,000.00 |

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

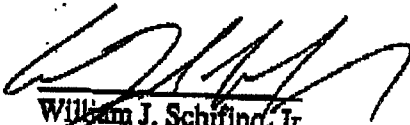
ARBITRATION PANEL

- Gayle B. Carlson, Esq. - Public Arbitrator, Presiding Chairperson
- William J. Schifano, Jr. - Public Arbitrator
- Norman L. Reiter - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Gayle B. Carlson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


William J. Schifano, Jr.
Public Arbitrator

3-21-05
Signature Date

Norman L. Reiter
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

MAR. 21. 2005 12:05PM NASD BOCA RATON

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Fee Summary

Claimants are jointly and severally liable for:

| | |
|--|-------------|
| <u>Initial Filing Fee</u> | = \$ 375.00 |
| <u>Total Fees</u> | = \$ 375.00 |
| <u>Less payments</u> | = \$ 375.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$ 0.00 |

Respondent is solely liable for:

| | |
|--|---------------|
| <u>Member Fees</u> | = \$ 7,000.00 |
| <u>Forum Fees</u> | = \$12,000.00 |
| <u>Total Fees</u> | = \$19,000.00 |
| <u>Less payments</u> | = \$ 7,000.00 |
| <u>Balance Due NASD Dispute Resolution</u> | = \$12,000.00 |

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10930(g) of the Code.

ARBITRATION PANEL

- Gayle B. Carlson, Esq. - Public Arbitrator, Presiding Chairperson
- William J. Schifino, Jr. - Public Arbitrator
- Norman L. Reiter - Non-Public Arbitrator

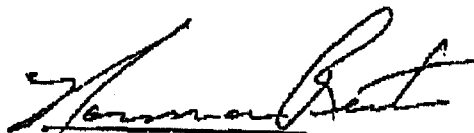
Concurring Arbitrators' Signatures

Gayle B. Carlson, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

William J. Schifino, Jr.
Public Arbitrator

Signature Date



Norman L. Reiter
Non-Public Arbitrator

03.21.2005
Signature Date

Date of Service (For NASD Dispute Resolution use only)

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| | |
|--|--------------|
| Two (2) Hearing sessions with the Panel @ \$1,125.00 | = \$2,250.00 |
| Hearing Dates: April 28, 2004 2 sessions | |
| Total Forum Fees | - \$3,375.00 |

The Panel has assessed the total forum fees of \$3,375.00 to Respondent McNulty.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during this proceeding.

Fee Summary

Claimant is solely liable for:

| | |
|-------------------------------------|-------------|
| Initial Filing Fee | = \$ 300.00 |
| Total Fees | = \$ 300.00 |
| Less payments | = \$ 300.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

Respondent McNulty is solely liable for:

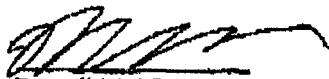
| | |
|-------------------------------------|---------------|
| Adjournment Fee | = \$ 1,125.00 |
| Forum Fees | = \$ 3,375.00 |
| Total Fees | = \$ 4,500.00 |
| Less payments | = \$ 0.00 |
| Balance Due NASD Dispute Resolution | = \$ 4,500.00 |

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

ARBITRATION PANEL

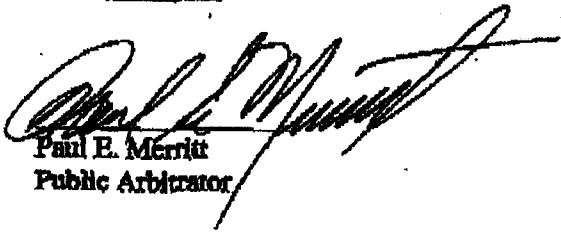
| | | |
|---------------------------|---|--|
| Russell W. Merriman, Esq. | - | Public Arbitrator, Presiding Chairperson |
| Paul E. Merritt | - | Public Arbitrator |
| Terrence W. Grant | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures


 Russell W. Merriman, Esq.
 Public Arbitrator, Presiding Chairperson

4/30/04
 Signature Date

NASD Dispute Resolution
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Paul E. Merritt
Public Arbitrator

4/29/04
Signature Date


Terrence W. Grant
Non-Public Arbitrator

Signature Date

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

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Arbitration No. 02-06924
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Paul E. Merritt
Public Arbitrator


Terrence W. Grant
Non-Public Arbitrator

Signature Date

4/29/04
Signature Date

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