

**Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Margo Piscevich, Margo Piscevich IRA, and Margo Piscevich Profit Sharing Plan,  
Claimants v. Associated Securities Corp., Patricia F. Meidell, and Laif E. Meidell,  
Respondents

Case Number: 06-02122

Hearing Site: Reno, Nevada

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Nature of the Dispute: Customers v. Member and Associated Persons

**REPRESENTATION OF PARTIES**

For Claimants:

Thomas C. Bradley, Esq.  
Sinai, Schroeder, Mooney,  
Boetsch, Bradley & Pace  
Reno, Nevada

Ronald E. Miller  
Loss Recovery Center,  
Inc.  
Reno, Nevada

For Respondents:

Neil S. Baritz, Esq.  
Edward Larkin, Esq.  
Baritz & Coleman LLP  
Boca Raton, Florida

**CASE INFORMATION**

Statement of Claim filed: April 25, 2006

Claimants' Joint Uniform Submission Agreement signed: April 21, 2006

Statement of Answer filed by Respondent Associated Securities Corp.: August 24, 2006

Respondent Associated Securities Corp.'s Uniform Submission Agreement signed: July 31, 2006

**CASE SUMMARY**

Claimants asserted the following causes of action: breach of written and oral contracts, fraud, deceit, and omission of material fact, breach of fiduciary duty, and breach of contract to supervise brokers. Claimants' allegations involved the purchase of

unspecified equity mutual funds for Claimants' accounts by Respondent Associated Securities Corp.

Unless specifically admitted in its Answer, Respondent Associated Securities Corp. denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested \$731,456.00 in compensatory damages, pre- and post-judgment interest, and costs, including attorney's fees and consulting fees.

Respondent Associated Securities Corp. requested dismissal of Claimants' Statement of Claim in its entirety and assessment of all costs, including forum fees, to Claimants.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On January 17, 2007, Claimants filed a Motion to Amend Pleadings to Add Parties. Respondent Associated Securities Corp. did not file a response to this motion. On February 20, 2007, the Panel granted Claimants' motion to add Patricia F. Meidell and Laif E. Meidell as Respondents. On February 23, 2007, Claimants served Respondents Patricia F. Meidell and Laif E. Meidell with the Statement of Claim and the Motion to Amend Pleadings to Add Parties.

Respondents Patricia F. Meidell and Laif E. Meidell did not file with NASD Dispute Resolution properly executed submission agreements; however, said Respondents are required to submit to arbitration and, having appeared and testified at the hearing, said Respondents are bound by the determination of the Panel on all issues submitted.

The parties agreed that California law governs this dispute, with the exception of account-privileged documents and the work product doctrine, which are governed by Nevada law.

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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimant Margo Piscevich's claims are denied in their entirety.
- 2) Respondent Associated Securities Corp. and Patricia F. Meidell are jointly and severally liable to and shall pay Claimant Margo Piscevich IRA the sum of \$25,000.00 in compensatory damages.
- 3) Respondent Associated Securities Corp. and Patricia F. Meidell are jointly and severally liable to and shall pay Claimant Margo Piscevich Profit Sharing Plan \$425,000.00.
- 4) Respondent Associated Securities Corp. and Patricia F. Meidell are jointly and severally liable to and shall pay Claimants the sum of \$5,000.00 as reimbursement for costs.
- 5) Respondent Associated Securities Corp. and Patricia F. Meidell are jointly and severally liable to and shall pay Claimants the sum of \$5,000.00 in attorney's fees, pursuant to the Employee Retirement Income Security Act ("ERISA").
- 6) With the exception of paragraphs 4 and 5, the parties shall bear their respective costs, including attorney's fees.
- 7) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Laif E. Meidell's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Laif E. Meidell must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative finding of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

8) 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 received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$ 375.00

#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Associated Securities Corp. is a party, and the following fees are assessed:

Member Surcharge = \$2,250.00

Pre-Hearing Process Fee = \$ 750.00

Hearing Process Fee = \$4,000.00

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**Total Member Fees = \$7,000.00**

#### **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), which lasts four (4) hours or less. The following forum fees are assessed:

One (1) pre-hearing conference session with a single arbitrator  
@ \$450.00/session = \$ 450.00

Pre-hearing conference: May 21, 2007 1 session

One (1) pre-hearing conference session with the Panel  
@ \$1,200.00/session = \$1,200.00

Pre-hearing conference: November 7, 2006 1 session

Nine (9) hearing sessions  
@ \$1,200.00/session = \$10,800.00

Hearings: June 25, 2007 2 sessions

June 26, 2007 2 sessions

June 27, 2007 2 sessions

June 28, 2007 3 sessions

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**Total Forum Fees = \$12,450.00**

The Panel assessed \$6,225.00 of the forum fees to Respondent Associated Securities Corp.

The Panel assessed \$6,225.00 of the forum fees to Respondent Patricia F. Meidell.

**Fee Summary**

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 375.00
<u>Less payments</u>	<u>= \$(1,575.00)</u>
<b>Refund Due Claimant</b>	<b>= \$(1,200.00)</b>

2. Respondent Associated Securities Corp. is charged with the following fees and costs:

Member Fees	= \$ 7,000.00
Forum Fees	= \$ 6,225.00
<u>Less payments</u>	<u>= \$(7,000.00)</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$ 6,225.00</b>

3. Respondent Patricia F. Meidell is charged with the following fees and costs:

<u>Forum Fees</u>	<u>= \$6,225.00</u>
<b>Balance Due NASD Dispute Resolution</b>	<b>= \$6,225.00</b>

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

**ARBITRATION PANEL**

**Dee Newell** - **Public Arbitrator, Presiding Chair**  
**Michael R.E. Sanders** - **Public Arbitrator**  
**Lincoln F. Stock** - **Non-Public Arbitrator**

**Concurring Arbitrators' Signatures**

  
Dee Newell  
Chair, Public Arbitrator

July 2, 07  
Signature Date

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Michael R.E. Sanders  
Public Arbitrator

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

\_\_\_\_\_  
Lincoln F. Stock  
Non-Public Arbitrator

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

7/3/07  
Date of Service

**ARBITRATION PANEL**

<b>Dee Newell</b>	-	<b>Public Arbitrator, Presiding Chair</b>
<b>Michael R.E. Sanders</b>	-	<b>Public Arbitrator</b>
<b>Lincoln F. Stock</b>	-	<b>Non-Public Arbitrator</b>

**Concurring Arbitrators' Signatures**

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Dee Newell  
Chair, Public Arbitrator

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Signature Date

  
Michael R.E. Sanders  
Public Arbitrator

7/2/07  
Signature Date

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Lincoln F. Stock  
Non-Public Arbitrator

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Signature Date

7/3/07  
Date of Service

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**Concurring Arbitrators' Signatures**

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**Dee Newell**  
**Chair, Public Arbitrator**

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**Signature Date**

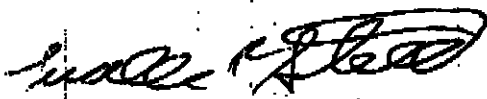
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**Michael R.E. Sanders**  
**Public Arbitrator**

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**Signature Date**

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**Lincoln F. Stock**  
**Non-Public Arbitrator**

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**7/2/07**  
**Signature Date**

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**7/3/07**  
**Date of Service**