

**Award
FINRA Dispute Resolution**

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In the Matter of the Arbitration Between:

James F. Riley, IRA, Claimant v. Associated Securities Corp. and Patricia F. Meidell,
Respondents

Case Number: 06-02936

Hearing Site: Reno, Nevada

Nature of the Dispute: Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimant:

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

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

For Respondents:

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

CASE INFORMATION

Statement of Claim filed: June 14, 2006

Amended Statement of Claim filed: August 26, 2006

Claimant's Uniform Submission Agreement signed: June 13, 2006

Statement of Answer filed by Respondent Associated Securities Corp.: October 30,
2006

CASE SUMMARY

Claimant asserted the following causes of action in his initial and Amended Statements of Claim: breach of written and oral contracts, churning, fraud, deceit, omission of material fact, breach of fiduciary duty, and breach of contract to supervise brokers. The Amended Statement of Claim also included an allegation of fraudulent concealment.

Claimant's allegations involved the purchase and/or sale of mutual funds such as FMI Focus Fund, Invesco Telecommunications Fund, Red Oak Technology Select Portfolio, and Dresdner RCM Biotechnology Fund, among others.

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

RELIEF REQUESTED

In his initial and Amended Statements of Claim, Claimant requested \$560,980.00 in lost capital and retirement monies, disgorgement of commissions and fees, pre- and post-judgment interest and costs, including attorney's fees and consulting fees.

Respondent Associated Securities Corp. requested dismissal of Claimant's Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On January 16, 2007, Claimant filed a Motion to Amend Pleadings to Add Parties. On January 31, 2007, Associated Securities Corp. and Laif Meidell filed an Opposition to the Motion to Add Laif Meidell as a Party. On February 14, 2007, Claimant filed a Reply to Associated Securities Corp. and Laif Meidell's Opposition to Amend the Claim to Add Laif Meidell as a Party. On July 19, 2007, Claimant and Respondent's counsel filed a Stipulation agreeing to add Patricia Meidell as a Respondent in this matter and withdrawing Claimant's request to add Laif Meidell as a Respondent. On or about September 2007, the Panel approved the parties' stipulation, and Patricia Meidell was added as a Respondent in this matter.

Respondent Patricia F. Meidell did not file with FINRA Dispute Resolution a properly executed submission agreement, but she is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure ("Code"), and, having appeared and testified at the hearing, she is bound by the determination of the Panel on all issues submitted.

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) Respondents Patricia F. Meidell and Associated Securities Corp. are jointly and severally liable to and shall pay Claimant James F. Riley, IRA the sum of \$345,000.00 in compensatory damages.
- 2) Respondents Patricia F. Meidell and Associated Securities Corp. are jointly and severally liable to and shall pay Claimant James F. Riley, IRA the sum of \$26,000.00 as reimbursement for expert witness fees.
- 3) With the exception of the foregoing paragraph, the parties shall bear their respective costs, including attorney's fees.
- 4) Respondents Patricia F. Meidell and Associated Securities Corp. are jointly and severally liable to and shall pay Claimant James F. Riley, IRA interest in the amount of \$234,093.75 on \$345,000.00 in compensatory damages, which accrued from October 1, 2003 until November 9, 2007. Interest is awarded pursuant to Nevada Revised Statutes sections 17.130, 37.175, 108.237, 147.220, 223.170, and 645.847.
- 5) Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA 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
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:	October 25, 2007	1 session	
Three (3) pre-hearing conference sessions with the Panel @ \$1,200.00/session			= \$ 3,600.00
Pre-hearing conferences:	October 9, 2006	1 session	
	June 5, 2007	1 session	
	June 7, 2007	1 session	
Ten (10) Hearing sessions @ \$1,200.00/session			= \$12,000.00
Hearings:	November 5, 2007	2 sessions	
	November 6, 2007	2 sessions	
	November 7, 2007	2 sessions	
	November 8, 2007	3 sessions	
	November 9, 2007	1 session	
Total Forum Fees			= \$16,050.00

The Panel assessed \$16,050.00 of the forum fees jointly and severally to Patricia F. Meidell and Associated Securities Corp.

Fee Summary

1. Claimant is charged with the following fees and costs:

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

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

Member Fees	= \$ 7,000.00
<u>Less payments</u>	<u>= \$(7,000.00)</u>
Balance Due FINRA Dispute Resolution	= \$ 0.00

3. Respondents Patricia F. Meidell and Associated Securities Corp. are charged jointly and severally with the following fees and costs:

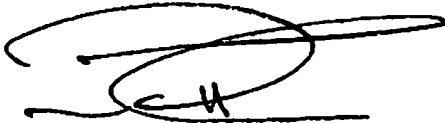
<u>Forum Fees</u>	<u>=\$16,050.00</u>
Balance Due FINRA Dispute Resolution	=\$16,050.00

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

ARBITRATION PANEL

William Patterson Cashill	-	Public Arbitrator, Presiding Chair
Paul E. Dahlman	-	Public Arbitrator
Merrill Dean Taylor	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



William Patterson Cashill
Chair, Public Arbitrator

13 Nov. 2007
Signature Date

Paul E. Dahlman
Public Arbitrator

Signature Date

Merrill Dean Taylor
Non-Public Arbitrator

Signature Date

November 15, 2007
Date of Service

ARBITRATION PANEL

William Patterson Cashill	-	Public Arbitrator, Presiding Chair
Paul E. Dahlman	-	Public Arbitrator
Merrill Dean Taylor	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

William Patterson Cashill
Chair, Public Arbitrator

Signature Date



Paul E. Dahlman
Public Arbitrator

11/10/2007

Signature Date

Merrill Dean Taylor
Non-Public Arbitrator

Signature Date

November 15, 2007

Date of Service

ARBITRATION PANEL

William Patterson Cashill	-	Public Arbitrator, Presiding Chair
Paul E. Dahlman	-	Public Arbitrator
Merrill Dean Taylor	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

William Patterson Cashill
Chair, Public Arbitrator

Signature Date

Paul E. Dahlman
Public Arbitrator

Signature Date


Merrill Dean Taylor
Non-Public Arbitrator

11-12-2007
Signature Date

11/19/07
Date of Service