

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

William Schunmann and Ruth Schunmann (Claimants) vs. Donald Sowa and Commonwealth Financial Network (Respondents)

Case Number: 04-03322

Hearing Site: Hartford, Connecticut

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

REPRESENTATION OF PARTIES

Claimants William Schunmann ("W. Schunmann") and Ruth Schunmann ("R. Schunmann") hereinafter collectively referred to as "Claimants": Frederick W. Rosenberg, Esq., Roseland, NJ.

Respondents Donald Sowa ("Sowa") and Commonwealth Financial Network ("CFN"), hereinafter collectively referred to as "Respondents": Thomas G. Nicholson, Esq., Finneran & Nicholson, P.C., Newburyport, MA.

CASE INFORMATION

Statement of Claim filed on or about: May 5, 2004.

W. Schunmann signed the Uniform Submission Agreement: April 30, 2004.

R. Schunmann signed the Uniform Submission Agreement: April 30, 2004.

Joint Statement of Answer filed by Respondents on or about: August 6, 2004.

Sowa signed the Uniform Submission Agreement: August 13, 2004.

CFN signed the Uniform Submission Agreement: August 12, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, negligence, failure to supervise, breach of fiduciary duty, suitability, misrepresentations/non-disclosures, and omission of facts. The causes of action relate to unspecified securities.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$523,985.00, punitive damages in the amount of \$1,500,000.00, interest, costs, attorneys' fees, and such other and further relief as the panel may determine.

Respondents requested that the Statement of Claim be dismissed in its entirety, costs and fees incurred in defending this arbitration, and such other and further relief as the Panel deems necessary, just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

On January 26, 2007 NASD Dispute Resolution advised Claimants and Respondents that arbitrator Morris Levine withdrew from this matter. In accordance with Rule 10313 of the NASD Code of Arbitration Procedure, the parties agreed to proceed with the remaining two arbitrators.

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 are jointly and severally liable for and shall pay to Claimants compensatory damages in the amount of \$314,028.00.
2. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to 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 = \$ 500.00

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 event giving rise to the dispute. Accordingly, Commonwealth Financial Network is a party.

Member surcharge = \$ 2,800.00

Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

June 28-30, 2007 and July 1, 2005 adjournment by Respondents
 Claimants' share = \$ 600.00
 Respondents' share = \$ 600.00

October 24-26, 2005 adjournment by Respondents = \$ 1,500.00

November 16-17, 2006 adjournment by Claimants and Respondents = Waived

March 13-17, 2006 adjournment by Claimants and Respondents = Waived

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A 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:

One (1) Pre-hearing session with Panel @ \$1,200.00/session = \$ 1,200.00
Pre-hearing conferences: October 19, 2004 1 session

Fourteen (14) Hearing sessions @ \$1,200.00/session = \$16,800.00
Hearing Dates: September 12, 2006 2 sessions
September 13, 2006 2 sessions
September 14, 2006 2 sessions
September 15, 2006 2 sessions
December 4, 2006 2 sessions
December 5, 2006 2 sessions
March 14, 2007 2 sessions

Total Forum Fees = \$18,000.00

1. The Panel has assessed \$9,000.00 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$9,000.00 of the forum fees jointly and severally to Respondents.

FEE SUMMARY

1. Claimants are jointly and severally liable for:
 Initial Filing Fee = \$ 500.00
 Adjournment Fee = \$ 600.00

<u>Forum Fees</u>	= \$ 9,000.00
<u>Total Fees</u>	= \$10,100.00
<u>Less payments</u>	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 8,400.00

2. CFN is solely liable for:

<u>Member Fees</u>	= \$ 8,550.00
<u>Total Fees</u>	= \$ 8,550.00
<u>Less payments</u>	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

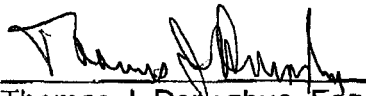
Adjournment Fee	= \$ 2,100.00
<u>Forum Fees</u>	= \$ 9,000.00
<u>Total Fees</u>	= \$11,100.00
<u>Less payments</u>	= \$ 2,100.00
Balance Due NASD Dispute Resolution	= \$ 9,000.00

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

ARBITRATION PANEL

Thomas J. Donoghue, Esq. - Public Arbitrator, Presiding Chairperson
John R. Thompson - Public Arbitrator

Concurring Arbitrators' Signatures



Thomas J. Donoghue, Esq.
Public Arbitrator, Presiding Chairperson



Signature Date

John R. Thompson
Public Arbitrator

Signature Date

April 12, 2007

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

ARBITRATION PANEL

Thomas J. Donoghue, Esq. - Public Arbitrator, Presiding Chairperson
John R. Thompson - Public Arbitrator

Concurring Arbitrators' Signatures

Thomas J. Donoghue, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


John R. Thompson
Public Arbitrator

4-6-2007
Signature Date

April 12, 2007
Date of Service (For NASD Dispute Resolution office use only)