Award
NASD

In the Matter of the Arbitration Between:

Names of the Claimants

John Deutzman and Wendy Deutzman, JTWROS

Case Number: 01-04829

Names of the Respondents

Fahnestock & Co., Inc. and Brian Murphy

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For John Deutzman and Wendy Deutzman, JTWROS, hereinafter collectively referred to as "Claimants": Darren C. Blum, Esq. and Scott L. Silver, Esq., Law Offices of Darren C. Blum, P.A., Plantation, Florida.

For Fahnestock & Co., Inc. ("Fahnestock") and Brian Murphy ("Murphy"), hereinafter collectively referred to as "Respondents": Eric J. Shames, General Counsel, and Evelyn Bukchin, Counsel, Fahnestock & Co., Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: September 10, 2001.
Claimants signed the Uniform Submission Agreement: August 20, 2001.
Statement of Answer filed by Respondents on or about: November 28, 2001.
Respondent Fahnestock signed the Uniform Submission Agreement: December 7, 2001.
Respondent Murphy signed the Uniform Submission Agreement: December 7, 2001.
Motion to Bar filed by Claimants on or about: November 14, 2001.
Response to Motion to Bar filed by Respondents on or about: November 28, 2001.
Motion to Dismiss, or in the Alternative, Motion to Compel filed by Respondents on or about: January 14, 2002.
Motion for Clarification of Order on Motion to Bar filed by Claimants on or about: April 15, 2002.
Response to Motion for Clarification of Order on Motion to Bar filed by Respondents on or about: April 23, 2002.

CASE SUMMARY

Claimants asserted the following causes of action: violation of industry rules; violation of Florida Statutes Section 517.301; breach of contract; breach of fiduciary duty; fraud; negligence; and, negligent supervision. The causes of action relate to the purchase and sale of shares of QLogic, Doubleclick, Starmedia and QQQ in Claimants' account.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim, asserted various defenses and filed a Motion to Dismiss the Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of $452,698.61, plus interest at the legal rate from the date of purchase, or reasonable market return, rescission, attorney's fees to be determined by a court of competent jurisdiction, punitive damages, costs and any other relief deemed just and proper.

Respondents requested judgment dismissing Claimants' claims and assessing costs, expenses and disbursements against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies.

On or about April 12, 2002, the Panel issued an order which denied Claimants' Motion to Bar and Respondents' Motion to Dismiss, or in the Alternative Motion to Compel.

On or about May 16, 2002, the Panel issued an order which denied Claimants' Motion for Clarification of Order on Motion to Bar.

AWARD

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

Respondents are found liable to Claimants on the claim for breach of fiduciary duty. Further, Respondent Murphy is found liable to Claimants on the claim for negligence. In addition, Respondent Fahnestock is found liable to Claimants on the claim for negligent supervision. As such, Respondents, jointly and severally, are liable and shall pay to Claimants compensatory damages in the amount of $226,349.30, pre-judgment interest specifically excluded. Post-judgment interest shall accrue at the prevailing legal rate pursuant to the Florida Statutes from the date of the Award to the date of payment of the Award.

Respondents, jointly and severally, are liable and shall pay to Claimants the sum of $300.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD.

Any and all claims for relief not specifically addressed herein, including Claimants' request for punitive damages and for damages pursuant to Section 517.301 of the Florida Statutes, are denied.

FEES

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

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= $300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= $1,500.00
Pre-hearing process fee	= $600.00
Hearing process fee	= $2,500.00

Adjournment Fees

No requests for adjournment were filed in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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 a single arbitrator @ $450.00			= $450.00
Pre-hearing conference:	July 24, 2002	1 session	
One (1) Pre-hearing session with Panel @ $1,125.00			= $1,125.00
Pre-hearing conference:	April 12, 2002	1 session	
Four (4) Hearing sessions @ $1,125.00			= $4,500.00
Hearing Dates:	February 12, 2003	2 sessions	
	February 13, 2003	2 sessions	
Total Forum Fees			= $6,075.00

The Panel has assessed $3,037.50 of the forum fees jointly and severally to Claimants.
The Panel has assessed $3,037.50 of the forum fees jointly and severally to Respondents.

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 are 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 in this matter.

FEE SUMMARY

Claimants are jointly and severally liable for:

Initial Filing Fee	= $300.00
Forum Fees	= $3,037.50
Total Fees	= $3,337.50
Less payments	= $1,425.00
Balance Due NASD	= $1,912.50

Respondent Fahnestock is solely liable for:

Member Fees	= $4,600.00
Total Fees	= $4,600.00
Less payments	= $4,600.00
Balance Due NASD	= $0.00

Respondents are jointly and severally liable for:

Forum Fees	= $3,037.50
Total Fees	= $3,037.50
Less payments	= $0.00
Balance Due NASD	= $3,037.50

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

ARBITRATION PANEL

Arthur L. Tepper, Esq.	-	Public Arbitrator, Presiding Chair
Abe Mintz	-	Public Arbitrator
Harry Dressler	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ 02/18/03

Arthur L. Tepper, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/ 02/19/03

Abe Mintz
Public Arbitrator

Signature Date

/s/ 02/18/03

Harry Dressler
Non-Public Arbitrator

Signature Date

02/21/03

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

Arthur L. Tepper, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Abe Mintz
Public Arbitrator

2/19/03
Signature Date

Harry Dressler
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Public Arbitrator, Presiding Chair

2/18/03
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Abe Mintz
Public Arbitrator

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Harry Dressler
Non-Public Arbitrator

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