

AWARD
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Josephine L. DesParte

vs.

Case Number: 09-00572
Hearing Site: Chicago, Illinois

Names of Respondents

William Blair & Company, LLC,
William Harold Ross, and
Brian Lance Kasal

NATURE OF THE DISPUTE

Customer vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Josephine L. DesParte ("Claimant") was represented by Andrew Stoltmann, Esq., Stoltmann Law Offices, PC, Chicago, Illinois.

William Blair & Company, LLC ("Blair & Company"), William Harold Ross ("Ross"), Brian Lance Kasal ("Kasal"), hereinafter collectively referred to as "Respondents," were represented by Philip M. Goldberg, Esq. and Andrea K. Zollett, Esq., Foley & Lardner, LLP, Chicago, Illinois.

CASE INFORMATION

The Statement of Claim was filed on or about January 29, 2009. The Submission Agreement of Claimant, Josephine L. DesParte, was signed on or about January 9, 2009.

The Statement of Answer was filed jointly by Respondents, William Blair & Company, LLC, William Harold Ross, and Brian Lance Kasal, on or about May 18, 2009. The Submission Agreement of Respondent, William Blair & Company, LLC, was signed on or about March 16, 2009. The Submission Agreement of Respondent, William Harold Ross, was signed on or about March 10, 2009. The Submission Agreement of Respondent, Brian Lance Kasal, was signed on or about May 26, 2009.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; omissions; negligence; and negligent supervision. The causes of action related to Claimant's account at Blair & Company. Claimant alleged that since 1979, her account had been a commission-based, non-discretionary account with little or no activity and therefore an unprofitable account for Ross and Kasal. Throughout the years, Claimant maintained positions in tax-free municipal bonds, income funds, and three equity positions: Dun & Bradstreet, Moody's, and IMS Health Care. Claimant asserted that these share were accumulated over a fifty year period and asserted that she instructed Respondents her current positions were not to be sold or otherwise liquidated. At the age of 88 years old, Claimant asserted that Respondents changed her account to a discretionary, fee-based, investment advisory account. Claimant asserted that under this new fee-based, investment advisory account, Blair & Company received 1.5% of market value of all equity assets and .35% of market value of all fixed income assets as of the valuation date. Claimant alleged that she was not made aware that she was agreeing to this new account format in which she no longer received paper statement, but instead only e-mail updates, despite the fact that Claimant did not own a computer nor did she have an e-mail address. Claimant alleged that after she signed the new investment advisory agreement, her account underwent a rapid and drastic reformulation. Claimant asserted that Ross and Kasal began selling off her municipal bond funds and bought more equities. Claimant asserts that since confirmation and statement were being sent to a bogus e-mail address, she was not aware of the activity in her account. Claimant transferred her assets out of Blair & Company in September 2008.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; Respondents deny any and all violations of the Illinois Securities Law of 1953; Respondents deny that they violated the Illinois Consumer Fraud and Deceptive Business Practices Act; Respondents deny that they breached any fiduciary to Claimant; and Respondents deny that Blair & Company negligently supervised Ross or Kasal and further deny that there is any private cause of action for negligent supervision.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages	\$1,700,000.00
Exemplary/Punitive Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified

Other Monetary Relief

Unspecified

At the hearing, Claimant requested an award in the amount of:

Actual/Compensatory Damages

\$1,095,813 - \$1,474,386

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

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

- 1.) Respondents, William Blair & Company, LLC, William Harold Ross, and Brian Lance Kasal, are jointly and severally liable for and shall pay to Claimant, Josephine L. DesParte, the sum of \$655,146.00 in compensatory damages;
- 2.) Respondents, William Blair & Company, LLC, William Harold Ross, and Brian Lance Kasal, are jointly and severally liable for and shall pay to Claimant, Josephine L. DesParte, the sum of \$380,000.00 for 2007 capital gains taxes;
- 3.) Respondents, William Blair & Company, LLC, William Harold Ross, and Brian Lance Kasal, are jointly and severally liable for and shall pay to Claimant, Josephine L. DesParte, the sum of \$82,719.00 for disgorgement of fees; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution will retain the non-refundable filing fee* for each claim:

Initial Claim filing fee = \$ 1,800.00

**The filing fee is made up of a non-refundable and a refundable portion.*

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 persons at the time of the events giving rise to the dispute. Accordingly, as a party, William Blair & Company, LLC is assessed the following:

Member surcharge = \$ 2,800.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$ 5,000.00

Contested Motion for Issuance of a Subpoena Fees

Fees apply for each decision on a contested motion for the issuance of a subpoena.

One (1) Decision on a contested motion for the issuance of a subpoena
(1) one arbitrator @ \$200.00 (maximum of \$600) = \$ 200.00
Total Contested Motion for Issuance of Subpoenas Fees = \$ 200.00

The Panel has assessed \$200.00 of the contested motion for issuance of subpoenas fees jointly and severally to William Blair & Company, LLC, William Harold Ross, and Brian Lance Kasal.

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each hearing 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 Panel x \$1,200.00 = \$ 1,200.00
Pre-hearing conference: August 18, 2009 1 session

Six (6) Hearing sessions x \$1,200.00		= \$ 7,200.00
Hearing Dates:	November 9, 2009	2 sessions
	November 10, 2009	2 sessions
	November 11, 2009	2 sessions
<hr/> Total Hearing Session Fees		= \$ 8,400.00

The Panel has assessed \$8,400.00 of the hearing session fees jointly and severally to William Blair & Company, LLC, William Harold Ross, and Brian Lance Kasal.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

John N. Chapin, Jr. - Public Arbitrator, Presiding Chair
Joseph FitzSimmons - Public Arbitrator
John T. Keefe - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ John N. Chapin, Jr.
John N. Chapin, Jr.
Public Arbitrator, Presiding Chair

November 13, 2009
Signature Date

/s/ Joseph FitzSimmons
Joseph FitzSimmons
Public Arbitrator

November 13, 2009
Signature Date

/s/ John T. Keefe
John T. Keefe
Non-Public Arbitrator

November 13, 2009
Signature Date

November 16, 2009
Date of Service (For FINRA office use only)

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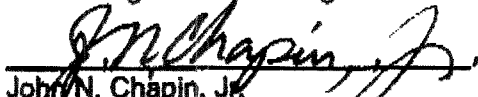
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Public Arbitrator, Presiding Chair

11/30/09
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Public Arbitrator

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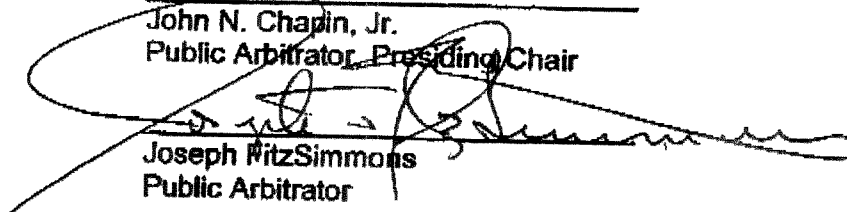
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Signature Date



Joseph FitzSimmons
Public Arbitrator

Signature Date

13 / NOVEMBER 2009

John T. Keefe
Non-Public Arbitrator

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John T. Keefe
Non-Public Arbitrator

November 13, 2009

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