

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Stevan A. Varga

Case No. 00-00677

Name of Respondents

Morgan Grant Capital Corporation
Lou Montano and Scott Goodman

Hearing Site: Washington, DC

REPRESENTATION OF PARTIES

Claimant Stevan A. Varga ("Claimant") represented himself.

Respondent Morgan Grant Capital Corporation ("Respondent") did not appear.

CASE INFORMATION

Statement of Claim filed on or about: February 1, 2000

Claimant signed the Uniform Submission Agreement: February 1, 2000

Respondent neither filed a Statement of Answer nor a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: Respondent ignored Claimant's stated investment objectives; Respondent, through its agents, placed Claimant into investments that were unsuitable; Respondent's agents made material misstatements of fact and omitted material information; Respondent failed to keep Claimant informed; Respondent breached its fiduciary duty it owed to Claimant; Respondent participated in manipulative and dishonest brokerage activity; Respondent breached its contract with Claimant and failed to properly supervise its agents and Claimant's account. The causes of actions in this matter relate to the purchase of a thinly traded security named Concap that Claimant alleged Respondent's agents induced him to purchase even though it was entirely unsuitable.

Respondent did not file an answer with its defenses.

RELIEF REQUESTED

Claimant, in his Statement of Claim, requested:

Compensatory Damages	\$14,377.50
Punitive Damages	\$28,755.00

OTHER ISSUES CONSIDERED AND DECIDED

On July 30, 2001 Claimant notified NASD Dispute Resolution, Inc. that he reached settlement with Scott Goodman.

On September 10, 2001, Louis Montaino provided proof that he re-opened his bankruptcy proceeding and added Claimant to United States Bankruptcy Court, Eastern District of New York, Case No. 01-10223-353, Chapter 7, Schedule F. On September 10, 2001, Claimant's claim as to Montaino was stayed and the case proceeded solely against Respondent Morgan Grant Capital Corporation.

Upon review of the file and the representations made by Claimant, the undersigned arbitrator determined that Respondent has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

AWARD

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

1. That Respondent is liable to Claimant and shall pay to Claimant the sum of \$14,377.50; that statutory interest on this amount is awarded from the date of the award until the date the award is paid.
2. That Claimant's claim for punitive damages is denied in its entirety.
3. That the parties shall bear their respective costs, except as Fees are specifically addressed herein.
4. Any and all claims for damages not specifically addressed herein are denied in their entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for

each claim:

Initial claim filing fee = \$175

Forum Fees and Assessments

The arbitrator has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator x \$450 = \$900
Pre-hearing conferences: May 1, 2001 1 session
May 23, 2001 1 session

One (1) Hearing session x \$450 = \$450
Hearing Date: September, 2001 1 session

Total Forum Fees = \$1,350

The arbitrator has assessed \$1,350 of the forum fees to Respondent.

Fee Summary

Claimant is assessed the following fee:

Initial Filing Fee = \$175

Total Fees = \$175

Less payments = \$775

Refund Due to Claimant = \$600

Respondent is assessed the following fee:

Forum Fees = \$1,350

Total Fees = \$1,350

Less payments = \$0

Balance Due NASD Dispute Resolution, Inc. = \$1,350

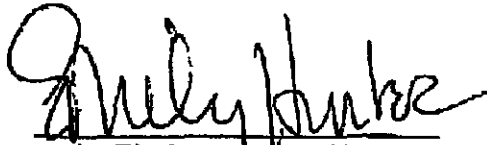
All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Emily Eiselman Hunter, Esq.

- Sole Arbitrator, Public Arbitrator

Arbitrator's Signature



Emily Eiselman Hunter, Esq.
Sole Arbitrator, Public Arbitrator

Oct. 29, 2001

Signature Date

Date Award Served by

NASD Dispute Resolution, Inc. October 30, 2001