

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimants

William N. Bernard and Catherine H. Bernard

and

00-01000

Minneapolis, Minnesota

Name of Respondents

Silver Capital Group
Shamrock Partners, Ltd.
LCP Capital Corp.
Thomas John Granite
Emanuele A. Scarso

REPRESENTATION OF PARTIES

William N. Bernard and Catherine H. Bernard ("Claimants") were represented by Michael Hume, Loss Recovery Center, Incline Village, Nevada.

Silver Capital Group ("Respondent Silver Capital"), LCP Capital Corp. ("Respondent LCP Capital"), Thomas John Granite ("Respondent Granite") and Emanuele A. Scarso ("Respondent Scarso") were represented by Richard J. Babnick, Jr., Esq. and Marc J. Ross, Esq., Sichenzia, Ross & Friedman, LLP, New York, New York. Prior to the hearing, counsel withdrew from representation. Paul J. Bazil, Esq., Pickard and Djimis, Washington, D.C then represented Respondent Scarso. Respondents Silver Capital and LCP Capital did not appear at the hearing.

Shamrock Partners, Ltd. ("Respondent Shamrock") was represented by Harley W. Shaver, Esq., Shaver & Licht, Denver, Colorado.

CASE INFORMATION

The Statement of Claim was filed on or about March 7, 2000. Claimants' Response to Respondent Tom Granite's Motion to Dismiss was filed on or about August 9, 2000. Motion to strike Answer and Bar Defenses was filed on or about March 5, 2001. Claimants William N. Bernard and Catherine H. Bernard signed a Submission Agreement.

Silver Capital Group, a Division of LCP Capital Corp., Emanuele A. Scarso, and Tom Granite's Answer to Claimants' Statement of Claim was filed on or about May 4, 2000. Respondent Tom Granite's Motion to Dismiss was filed on or about July 24, 2000.

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Respondent Shamrock Partners, Ltd. filed Statement of Answer on or about April 28, 2000. J. Huarch signed submission Agreement of Respondent Shamrock Partners, Ltd. on April 25, 2000.

CASE SUMMARY

Claimants alleged that Respondents churned their accounts; made unsuitable recommendations and executed transactions in unsuitable securities; made misleading statements with the intent to defraud and deceive them; engaged in negligent misrepresentations; breached their fiduciary duty to them; and engaged in unauthorized transactions. Claimants also alleged that respondents Shamrock Partners, Silver Capital and LCP Capital failed to properly supervise the individual Respondents.

Respondents Silver Capital, LCP, Scarso and Granite denied the allegations set forth in the Statement of Claim. These Respondents specifically stated that Claimant William Bernard is a successful lawyer who has been investing in securities for over two decades. It was also stated that Mr. Bernard instructed Respondent Scarso that his investment objectives were short-term trading and business risk appreciation. Respondents state that in accord with Claimants' articulated investment objectives, Respondent Scarso made appropriate recommendations of suitable securities to Mr. Bernard. It was further stated by respondents that Claimants authorized and directed each and every transaction in their accounts.

RELIEF REQUESTED

Claimants requested an award of compensatory damages in the amount of \$126,770; additional damages for loss of opportunity; prejudgment and post judgment interest at the highest legal rate; costs, including attorneys' and consulting fees; unspecified punitive damages; and such other and further relief as the Arbitration Panel deems just and proper.

Respondents Silver Capital, LCP, Scarso and Granite requested an Award denying all of Claimants' claims.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondent Silver Capital Group Shamrock Partners, Ltd. LCP Capital Corp. Thomas John Granite has been properly served with the Statement of Claim pursuant to Rule 10302 and Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondent Silver Capital Group Shamrock Partners, Ltd. LCP Capital Corp. Thomas John Granite had received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

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Respondents Silver Capital Group Shamrock Partners, Ltd. LCP Capital Corp. Thomas John Granite did not file with the NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim and an opportunity to participate in the hearing are bound by the determination of the arbitration panel on all issues submitted.

On September 6, 2000, the parties were advised of the Arbitration Panel's decision to deny Respondent Granite's Motion to Dismiss.

During the hearing session conducted on March 21, 2001, Claimants stated that they had settled the claims asserted against Respondents Shamrock, Granite and Scarso.

At the hearing, Claimants renewed their Motion to Strike any Answers from Respondents Silver Capital and LCP Capital. After considering the motion, the Arbitration Panel denied the motion.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, if any, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Silver Capital Group and LCP Capital Corp. shall be and hereby are jointly and severally liable for and shall pay to Claimants William N. Bernard and Catherine H. Bernard the sum of \$85,948 (Eighty Five Thousand Nine Hundred Forty Eight Dollars) as compensatory damages.
2. Respondents Silver Capital Group and LCP Capital Corp. shall be and hereby are jointly and severally liable for and shall pay to Claimants William N. Bernard and Catherine H. Bernard the sum of \$17,905 (Seventeen Thousand Nine Hundred Five Dollars) as interest.
3. Respondents Silver Capital Group and LCP Capital Corp. shall be and hereby are jointly and severally liable for and shall pay to Claimants William N. Bernard and Catherine H. Bernard the sum of \$69,235 (Sixty Nine Thousand Two Hundred Thirty Five Dollars) as attorneys fees and \$1,725 (One Thousand Seven Hundred Twenty Five Dollars) as costs. The Arbitration panel finds that it has the authority to make this award of attorneys' fees and costs pursuant to the contract between the parties.

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4. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
5. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 = \$300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firms are Shamrock Partners, Ltd. and LCP Capital Corp.

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

Forum Fees and Assessments

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

Three (3) Pre-hearing session(s) with Panel x \$1,125.00	= \$3,375.00
Pre-hearing conference(s):	
August 22, 1000	1 session
September 5, 2000	1 session
March 21, 2000	1 session
Two (2) Hearing sessions x \$1,125.00	= \$2,250.00
Hearing Date(s):	
March 26, 2001	2 sessions

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Total Forum Fees = \$5,625.00

The Arbitration Panel has assessed \$1,125.00 of the forum fees to William N. Bernard and Catherine H. Bernard.

The Arbitration Panel has assessed \$4,500.00 of the forum fees jointly and severally to Silver Capital Group and LCP Capital Corp.

Fee Summary

Claimants, William N. Bernard and Catherine H. Bernard, shall be and hereby are liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$1,125.00
Total Fees	= \$1,425.00
<u>Less payments</u>	= \$1,425.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent, Shamrock Partners, Ltd., shall be and hereby is liable for:

Member Fees	= \$4,600.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$4,195.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 405.00

Respondent, LCP Capital Corp., shall be and hereby is liable for:

Member Fees	= \$4,600.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,600.00

Respondents, Silver Capital Group and LCP Capital Corp. shall be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$4,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,500.00

All balances are due to NASD Dispute Resolution, Inc.

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Concurring Arbitrators:

Dated:

/s/ Robert Lee Nelson
Robert Lee Nelson
Public Arbitrator, Presiding Chair

April 18, 2001

/s/ Carol Grant
Carol Grant, J.D.
Public Arbitrator

April 21, 2001

/s/ James Nyquist
James Nyquist
Non-Public Arbitrator

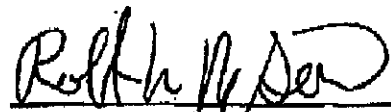
April 18, 2001

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Concurring Arbitrators:



Robert Lee Nelson

Public Arbitrator, Presiding Chair

Dated:

4/18/2001

Carol Grant, J.D.

Public Arbitrator

James Nyquist

Non-Public Arbitrator

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Dated:

Robert Lee Nelson
Public Arbitrator, Presiding Chair

Carol Grant
Carol Grant, J.D.
Public Arbitrator

James Nyquist
Non-Public Arbitrator

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Robert Lee Nelson
Public Arbitrator, Presiding Chair

Carol Grant, J.D.
Public Arbitrator

James Nequist
Non-Public Arbitrator

Dated:

4-18-2001