

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Pinnacle Trading, LLC and Timothy Ngo, (Claimants) vs. Generic Trading of Philadelphia, LLC, Generic Trading Associates, LLC, Carlin Equities Corp., Ronald Shear, and Keith Aronoff, (Respondents)

Case Number: 00-04300

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Pinnacle Trading, LLC ("Pinnacle") and Timothy Ngo ("Ngo"), hereinafter collectively referred to as "Claimants": Marc J. Ross, Esq. and Richard J. Babnick, Jr., Esq., Sichenzia, Ross & Friedman LLP, New York, NY.

Respondents, Generic Trading of Philadelphia, LLC ("GTP"), Generic Trading Associates, LLC ("GTA"), Carlin Equities Corp. ("Carlin"), Ronald Shear ("Shear"), and Keith Aronoff ("Aronoff"), hereinafter collectively referred to as "Respondents": David G. Tomeo, Esq., Lowenstein Sandler PC, Roseland, NJ.

CASE INFORMATION

Statement of Claim filed on or about: September 26, 2000.
Pinnacle signed the Uniform Submission Agreement: September 8, 2000.
Ngo signed the Uniform Submission Agreement: September 8, 2000.

Statement of Answer filed by Respondents on or about: January 29, 2001.
GTP signed the Uniform Submission Agreement: January 31, 2001.
GTA signed the Uniform Submission Agreement: January 31, 2001.
Carlin signed the Uniform Submission Agreement: January 31, 2001.
Shear signed the Uniform Submission Agreement: January 31, 2001.
Aronoff signed the Uniform Submission Agreement: January 31, 2001..

CASE SUMMARY

Claimants asserted the following causes of action: fraud in the inducement; breach of contract; breach of the implied covenant of good faith and fair dealing; conversion; breach of fiduciary duty; quantum meruit; breach of non-solicitation agreements; and violations of the Massachusetts Consumer Protection Act.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to set forth a claim for which relief may be granted; the Statement of Claim is barred by the applicable statutes of limitation, waiver, unclean hands, and/or laches; at all relevant times Ngo had, or should have had, full knowledge of all material facts, and is estopped from bringing this action or from obtaining any recovery herein; Respondents, in discharging their duties, if any, acted in good faith and exercised at least that degree of care, diligence, and skill which ordinary prudent men would exercise in similar circumstances and like positions; applicable law prohibits arbitrators from rendering an Award for punitive damages in a contract case; the Panel may not award attorneys' fees as a matter of law as there is no express agreement among the parties allowing for such an Award; any loss or injury sustained by Claimants was not directly, indirectly, proximately, or otherwise caused by any conduct, statements, acts, or omissions of Respondents; any loss or injury sustained by Claimants was caused in whole by the conduct, statements, acts, or omissions of Claimants; any loss or injury sustained by Claimants was caused in whole by third parties over which Respondents have no control; and GTA is not an NASD member, was dormant in the relevant time frame, and therefore is not a proper party to this dispute.

RELIEF REQUESTED

Claimants requested:

- a. On the first cause of action, judgement against Respondents, jointly and severally, in the approximate amount of \$400,000.00, plus punitive damages;
- b. On the second cause of action, judgement against Respondents GTP and Carlin, jointly and severally, in the approximate amount of \$50,000,000.00;
- c. On the third cause of action, judgement against Respondents GTP, Carlin, and Shear, jointly and severally, in the approximate amount of \$50,000,000.00;
- d. On the fourth cause of action, judgement against Respondents GTP, GTA, and Carlin, jointly and severally, in the approximate amount of \$400,000.00, plus punitive damages;
- e. On the fifth cause of action, judgement against Respondents, jointly and severally, in the approximate amount of \$50,000,000.00;
- f. On the sixth cause of action, judgement against Respondents GTP, GTA, and Carlin, jointly and severally, in the approximate amount of \$50,000,000.00;
- g. On the seventh cause of action, judgement against Respondents GTP, GTA, and Carlin, jointly and severally, in the approximate amount of \$1,000,000.00;

- h. On the eighth cause of action, judgement against Respondents, jointly and severally, in the approximate amount of \$50,000,000.00, plus treble damages thereon;
- i. Claimants' costs, including reasonable attorneys' fees and expert witness fees, incurred in connection with this arbitration; and
- j. Such other and further relief as the Panel deems just and proper.

Respondents requested an Award dismissing the claims contained in the Statement of Claim with prejudice, and granting such other and further relief as the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearings in this matter, Respondents made a motion to dismiss all claims against Respondent Aronoff. The Panel granted said motion.

Respondents also made a motion to dismiss GTA from this matter, and a motion to dismiss this arbitration for failure to state a claim, both of which were denied by the Panel.

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

- 1. GTP, GTA, Carlin, and Shear be and hereby are jointly and severally liable for and shall pay to Claimants the sum of \$110,000.00 as compensatory damages, plus interest at the rate of 9% accruing from February 1, 2000 to the date of this Award.
- 2. Claimants' request for punitive damages is hereby denied.
- 3. GTP, GTA, Carlin, and Shear be and hereby are jointly and severally liable for and shall pay to Claimants the sum of \$600.00, to reimburse Claimants for the filing fee previously paid to NASD Dispute Resolution, Inc.
- 4. All other requests for relief are hereby denied.

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 = \$ 600.00

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 persons at the time of the events giving rise to the dispute. In this matter, Generic Trading of Philadelphia, LLC, Generic Trading Associates, LLC, and Carlin Equities Corp. are parties.

Generic Trading of Philadelphia, LLC

Member surcharge = \$ 3,600.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$ 5,000.00

Generic Trading Associates, LLC

Member surcharge = \$ 3,600.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$ 5,000.00

Carlin Equities Corp.

Member surcharge = \$ 3,600.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$ 5,000.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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:

Three (3) Pre-hearing sessions with Panel x \$1,200.00 = \$ 3,600.00
Pre-hearing conferences: April 20, 2001 1 session
August 20, 2001 1 session
October 10, 2001 1 session

Six (6) Hearing sessions x \$1,200.00 = \$ 7,200.00

Hearing Dates:	November 1, 2001	2 sessions
	November 2, 2001	2 sessions
	November 5, 2001	2 sessions

Total Forum Fees = \$10,800.00

The Panel has assessed all of the forum fees jointly and severally against GTP, GTA, Carlin, and Shear.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less payments</u>	= \$ 1,800.00
Refund Due Claimants	= \$ 1,200.00

As stated in the "Award" section above, GTP, GTA, Carlin, and Shear are jointly and severally liable and shall reimburse Claimants for the \$600.00 filing fee.

2. GTP be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 9,200.00
Total Fees	= \$ 9,200.00
<u>Less payments</u>	= \$ 4,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 5,000.00

3. GTA be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 9,200.00
Total Fees	= \$ 9,200.00
<u>Less payments</u>	= \$ 4,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 5,000.00

4. Carlin be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 9,200.00
Total Fees	= \$ 9,200.00
<u>Less payments</u>	= \$ 4,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 5,000.00

NASD Dispute Resolution, Inc.

Arbitration No. 00-04300

Award Page 6

5. GTP, GTA, Carlin, and Shear be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$10,800.00
<u>Total Fees</u>	= \$10,800.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution, Inc.</u>	= \$10,800.00

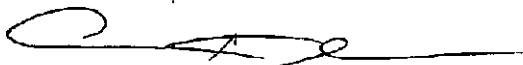
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Catherine Tinker, Esq.	-	Public Arbitrator, Presiding Chair
Myron Kove, Esq.	-	Public Arbitrator
E. Stephen Walsh, Esq.	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Catherine Tinker, Esq.
Public Arbitrator, Presiding Chair

11-18-01
Signature Date

Myron Kove, Esq.
Public Arbitrator

Signature Date

E. Stephen Walsh, Esq.
Industry Arbitrator

Signature Date

November 26, 2001

Date of Service (For NASD office use only)

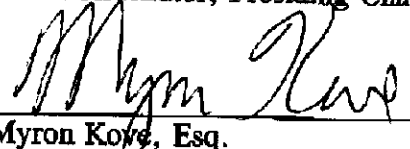
ARBITRATION PANEL

Catherine Tinker, Esq.	-	Public Arbitrator, Presiding Chair
Myron Kove, Esq.	-	Public Arbitrator
E. Stephen Walsh, Esq.	-	Industry Arbitrator

Concurring Arbitrators' Signatures

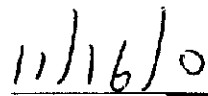
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Catherine Tinker, Esq.
Public Arbitrator, Presiding Chair



Myron Kove, Esq.
Public Arbitrator

Signature Date



Signature Date

E. Stephen Walsh, Esq.
Industry Arbitrator

Signature Date

November 26, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

Catherine Tinker, Esq.	-	Public Arbitrator, Presiding Chair
Myron Kove, Esq.	-	Public Arbitrator
E. Stephen Walsh, Esq.	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Catherine Tinker, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Myron Kove, Esq.
Public Arbitrator

Signature Date

E. Stephen Walsh
E. Stephen Walsh, Esq.
Industry Arbitrator

Nov. 15, 2001
Signature Date

November 26, 2001
Date of Service (For NASD office use only)