

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Harvey F. Donner, individually and as Trustee of the Harvey F. Donner Trust DTD 1/6/98,
Claimants v. Barron Chase Securities, Inc., Matthew J. DiMeglio, Jeffrey Arroyo, Howard
Feinmel, and Robert Thomas Kirk, Jr., Respondents

Case Number: 00-04852

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

Robert A. Uhl, Esq.
Ryan K. Bakhtiari, Esq.
Aidikoff & Uhl, APC
Beverly Hills, California

For Respondent Barron Chase Securities, Inc.:

Barron Chase Securities, Inc.
In Pro Per
Del Rey Beach, Florida

For Respondent Matthew J. DiMeglio:

Matthew J. DiMeglio
In Pro Per
Morganville, New Jersey

For Respondent Jeffrey Arroyo:

Jeffrey Arroyo
In Pro Per
Jersey City, New Jersey

For Respondent Howard Feinmel:

Howard Feinmel
In Pro Per
Boca Raton, Florida

For Respondent Robert Thomas Kirk, Jr.:

Robert Thomas Kirk, Jr.
In Pro Per
Boca Raton, Florida

CASE INFORMATION

Statement of Claim filed: October 30, 2000

Amended Statement of Claim filed: February 1, 2001

Claimants' Uniform Submission Agreement signed: October 30, 2000

Statement of Answer filed by Respondent Barron Chase Securities, Inc.: None Filed

Statement of Answer filed by Respondent Matthew J. DiMeglio: March 8, 2001

Statement of Answer filed by Respondent Jeffrey Arroyo: None Filed

Statement of Answer filed by Respondent Howard Feinmel: None Filed

Statement of Answer filed by Respondent Robert Thomas Kirk, Jr.: None Filed

Respondent Barron Chase Securities, Inc.'s Uniform Submission Agreement signed: None Filed

Respondent Matthew J. DiMeglio's Uniform Submission Agreement signed: March 8, 2001

Respondent Jeffrey Arroyo's Uniform Submission Agreement signed: None Filed

Respondent Howard Feinmel's Uniform Submission Agreement signed: None Filed

Respondent Robert Thomas Kirk, Jr.'s Uniform Submission Agreement signed: None Filed

CASE SUMMARY

In their original and amended Statements of Claim, Claimants alleged unsuitability, unauthorized transactions, excessive trading, breach of fiduciary duty, fraud by misrepresentation and omission, failure to supervise, elder abuse under California Welfare & Institutions Code (Section 15600 et seq), and violations of state and federal securities laws. NASD Rules of Fair Practice, and Rule 405 of the NYSE.

Respondent Matthew J. DiMeglio denied the allegations of wrongdoing set forth in the Claimants' original and amended Statements of Claim.

RELIEF REQUESTED

Claimants requested \$54,595.00 in compensatory damages, \$19,652.00 in disgorgement of commissions, \$346.00 in disgorgement of margin interest, opportunity cost, punitive damages, interest, attorney's fees and arbitration costs.

Respondent Matthew J. DiMeglio requested dismissal of the original and amended Statements of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

A review of the file and upon representations made on behalf of the Claimants, the undersigned Panel considered and decided that Respondents Barron Chase Securities, Inc., Jeffrey Arroyo, and Robert Thomas Kirk, Jr. were properly served with the original and amended Statements of Claim and received due notice of the hearing, and that the arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (Code).

Respondents Barron Chase Securities, Inc., Jeffrey Arroyo, Howard Feinmel and Robert Thomas Kirk, Jr. did not file with NASD Dispute Resolution, Inc. properly executed submission agreements but were and are as members required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

On February 21, 2001, NASD Dispute Resolution, Inc. received notice from Claimants that all claims against Respondent Howard Feinmel were withdrawn with prejudice.

On March 29, 2001, NASD Dispute Resolution, Inc. received a stipulated request from Claimants and Respondent Howard Feinmel to expunge the CRD record of Respondent Howard Feinmel.

On November 5, 2001, NASD Dispute Resolution, Inc. received notice that an arbitrator recused himself for personal reasons; the parties present at the hearing stipulated to continue with a two-arbitrator panel as permitted by the Code.

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

- 1) Respondents Barron Chase Securities, Inc., Matthew DiMeglio, Jeffrey Arroyo and Robert Thomas Kirk, Jr. are jointly and severally liable to and shall pay Claimants \$46,506.00 in compensatory damages.
- 2) Respondents Barron Chase Securities, Inc., Matthew DiMeglio, Jeffrey Arroyo and Robert Thomas Kirk, Jr. are jointly and severally liable to and shall reimburse Claimants \$19,652.00 in restitution for commissions paid.
- 3) Respondents Barron Chase Securities, Inc., Matthew DiMeglio, Jeffrey Arroyo and Robert Thomas Kirk, Jr. are jointly and severally liable to and shall reimburse Claimants \$346.00 in restitution for margin interest paid.
- 4) Respondents Barron Chase Securities, Inc., Matthew DiMeglio, Jeffrey Arroyo and Robert Thomas Kirk, Jr. are jointly and severally liable to and shall pay Claimants \$975.00 for reimbursement of Claimants' arbitration filing fee.
- 5) Respondents Barron Chase Securities, Inc., Matthew DiMeglio, Jeffrey Arroyo and Robert Thomas Kirk, Jr. are jointly and severally liable to and shall pay Claimants \$139,500.00 in exemplary damages pursuant to California Civil Code §3294. Additionally, the Panel finds that Respondents Barron Chase Securities, Inc., Matt DiMeglio and Jeffrey Arroyo and Robert Thomas Kirk, Jr. acted willfully and maliciously and engaged in actual fraud as contemplated under the United States Bankruptcy Code Section 523.
- 6) Respondents Barron Chase Securities, Inc., Matthew DiMeglio, Jeffrey Arroyo and Robert Thomas Kirk, Jr. are jointly and severally liable to and shall pay Claimants \$9,050.00 in interest from the period of June 30, 2000 to the date of the Award.
- 7) Respondents Barron Chase Securities, Inc., Matthew DiMeglio, Jeffrey Arroyo and Robert Thomas Kirk, Jr. are jointly and severally liable to and shall pay Claimants \$16,400.00 in attorney's fees pursuant to the California Welfare & Institutions Code, Section 15600 et seq., on elder abuse.
- 8) Except where expressed above, each party shall bear its own costs and attorney's fees.
- 9) Claimants request for compensation for lost opportunity is denied.
- 10) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Howard Feinmel registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Howard Feinmel must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 11) All other relief requested and not expressly granted herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 225.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm Barron Chase is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 1,500.00</u>
Total Member Fees	= \$ 3,100.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$750.00/session	= \$ 750.00
Pre-hearing conference: June 22, 2001 1 session	
1 Hearing session @ \$750.00/session	= \$ 750.00
Hearing: November 5, 2001 1 session	

Total Forum Fees	= \$ 1,500.00
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The Panel assessed \$1,500.00 of the forum fees jointly and severally to Respondents Barron Chase Securities, Inc., Matthew DiMeglio, Jeffrey Arroyo and Robert Thomas Kirk, Jr.

Fee Summary

1. Claimants Harvey F. Donner and the Harvey F. Donner Trust are charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
Less payments	= \$ (975.00)
Refund Due Claimant	= \$ (750.00)

2. Respondent Barron Chase Securities, Inc. is charged with the following fees and costs:

<u>Member Fees</u>	= \$ 3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,100.00

3. Respondents Barron Chase Securities, Inc., Matt DiMeglio and Jeffrey Arroyo and Robert Thomas Kirk, Jr. are charged jointly and severally with the following fees and costs:

<u>Forum Fee</u>	= \$ 1,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,500.00

All balances are payable to NASD Dispute Resolution, Inc. and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

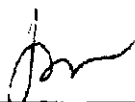
ARBITRATION PANEL

Jack Medove, Esq.
Klaus H. Boerner

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Chair, Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures



Jack Medove, Esq.
Chair, Public Arbitrator

29 Dec 01

Signature Date

Klaus H. Boerner
Non-Public Arbitrator

Signature Date

1/4/02
Date of Service

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Arbitration No. 00-04852
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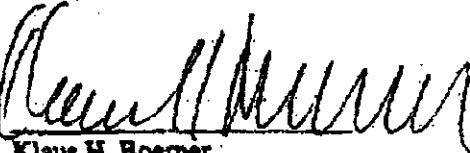
ARBITRATION PANEL

Jack Medove, Esq.
Klaus H. Boerner

- Chair, Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures

Jack Medove, Esq.
Chair, Public Arbitrator



Klaus H. Boerner
Non-Public Arbitrator

Signature Date

1.3.02
Signature Date

1/4/02
Date of Service