

Amended Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Chastain Family Trust, et al. v. Morley Securities, Inc. and Carl C. Roba

Case Number: 00-05171

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

Chastain Family Trust

Michael Huberman
Micheal Huberman
& Associates
La Quinta, California

Thomas W. Mahoney

Michael Huberman
Micheal Huberman
& Associates
La Quinta, California

Richard J. Loftus

Michael Huberman
Micheal Huberman
& Associates
La Quinta, California

Greenberg Family Trust

Michael Huberman
Micheal Huberman
& Associates
La Quinta, California

Drommerhausen Family Trust

Michael Huberman
Micheal Huberman
& Associates
La Quinta, California

For Respondents:
Morley Securities, Inc.

Michael M. Gless, Esq.
Keesal, Young & Logan
Long Beach, California

Bryan Evans Gills, III

Michael M. Gless, Esq.
Keesal, Young & Logan
Long Beach, California

Carl C. Roba

In Propria Persona
Playa Del Rey, California

CASE INFORMATION

Statement of Claim filed on or about November 20, 2000.

Amended Statement of Claim filed on or about January 7, 2002.

Claimant's Chastain Family Trust Uniform Submission Agreement submitted signed, but not dated.

Claimant's Greenberg Family Trust Uniform Submission Agreement submitted signed, but not dated.

Claimant's Thomas W. Mahoney Uniform Submission Agreement submitted signed, but not dated.

Claimant's Richard J. Loftus Uniform Submission Agreement submitted signed, but not dated.

Claimant's Drommerhausen Family Trust Uniform Submission Agreement submitted signed, but not dated.

Statement of Answer filed by Respondent Morley Securities, Inc. on or about February 15, 2001.

Respondent's Morley Securities, Inc. Uniform Submission Agreement signed on January 10, 2001.

Statement of Answer filed by Respondent Bryan Evans Gills, III on or about April 1, 2002.

Respondent's Bryan Evans Gills, III Uniform Submission Agreement signed on January 10, 2001.

Statement of Answer filed by Respondent Carl C. Roba on or about January 26, 2001.

CASE SUMMARY

Claimants alleged the following claims:

1. Breach of Contract
2. Breach of Fiduciary Duty;
3. Failure to Supervise
4. Negligence;
5. Violation of Federal and State Laws and NASD NYSE Rules;
6. Misrepresentation;
7. Omission of Facts; and
8. Elder Abuse

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and Amended Statement of Claim.

RELIEF REQUESTED

Claimants requested \$200,000.00 in compensatory damages, interest, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim and Amended Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On or about January 7, 2002, Claimants filed a Motion to Amend Statement of Claim pursuant to the NASD Code of Arbitration Procedure Rule 10328(b). The Panel granted the motion on March 25, 2002.

On September 24, 2002, Respondents Morley Securities, Inc. and Bryan Evans Gills, III moved

the Panel to dismiss Claimant's Statement of Claim. The Panel denied Respondents' motion.

On September 25, 2002, Respondents Morley Securities, Inc. and Bryan Evans Gills, III moved the Panel to disqualify Mr. Michael Huberman as the representative for Claimants in the arbitration proceeding. The Panel denied Respondents' motion. However, the hearing was continued until December 11, 2002 due to Mr. Michael Huberman's failure to comply with the California Civil Procedure Code Section 1282.4 requiring lawyers who are not licensed to practice law in the State of California to associate with a lawyer licensed to practice law in California.

On October 18, 2002, Mr. Michael Huberman filed with NASD Dispute Resolution a properly executed Non-California Attorney Certification Form pursuant to California Civil Procedure Code Section 1282.4.

Respondent Carl C. Roba did not file with the NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code of Arbitration Procedure ("Code") and having answered the claim, is bound by the determination of the Panel on all issues submitted.

The parties 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 Morley Securities, Inc. and Carl C. Roba are jointly and severally liable to and shall pay Claimant Chastain Family Trust the sum of \$8,400.00 in compensatory damages.
- 2) Respondents Morley Securities, Inc. and Carl C. Roba are jointly and severally liable to and shall pay Claimant Chastain Family Trust interest in the amount of 10% per annum on \$8,400.00 from November 21, 2000 until the date compensatory damages are paid to Claimant.
- 3) Respondents Morley Securities, Inc. and Carl C. Roba are jointly and severally liable to and shall pay Claimant Thomas W. Mahoney the sum of \$11,250.00 in compensatory damages.
- 4) Respondents Morley Securities, Inc. and Carl C. Roba are jointly and severally liable to and shall pay Claimant Thomas W. Mahoney interest in the amount of 10% per annum on \$11,250.00 from November 21, 2000 until the date compensatory damages are paid to

Claimant.

- 5) Respondents Morley Securities, Inc. and Carl C. Roba are jointly and severally liable to and shall pay Claimant Richard J. Loftus the sum of \$20,400.00 in compensatory damages.
- 6) Respondents Morley Securities, Inc. and Carl C. Roba are jointly and severally liable to and shall pay Claimant Richard J. Loftus interest in the amount of 10% per annum on \$20,400.00 from November 21, 2000 until the date compensatory damages are paid to Claimant.
- 7) The parties shall bear their respective costs, including attorney's fees.
- 8) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
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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 that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Morley Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 2,500.00</u>
Total Member Fees	= \$ 4,600.00

Forum Fees and Assessments

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

(1) Pre-hearing conference session with the Panel @ \$1,125.00/session	= \$ 1,125.00
Pre-hearing conference: September 25, 2002 1 session	

(6) Hearing sessions @ \$1,125.00/session = \$ 6,750.00

Hearings:	January 7, 2002	1 session
	September 24, 2002	2 sessions
	September 25, 2002	1 session
	December 9, 2002	2 sessions

Total Forum Fees = \$ 7,875.00

1. The Panel assessed \$4,500.00 of the forum fees jointly and severally to Respondents Morley Securities, Inc. and Carl C. Roba.
2. The Panel assessed \$1,125.00 of the forum jointly and severally to Claimants.
3. The Panel waived \$1,125.00 of the forum fees for the January 7, 2002 hearing session.
4. The Panel waived \$1,125.00 of the forum fees for the September 25, 2002 pre-hearing conference session.

Fee Summary

1. Claimants Chastain Family Trust, Greenberg Family Trust, Drommerhausen Family Trust, Richard J. Loftus and Thomas W. Mahoney are charged jointly and severally with the following fees and costs:

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	= \$ 0.00

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

Member Fees	= \$ 4,600.00
<u>Less payments</u>	= \$(45.00)
Balance Due NASD Dispute Resolution	= \$ 4,555.00

3. Respondents Morley Securities, Inc. and Carl C. Roba are charged jointly and severally with the following fees and costs:

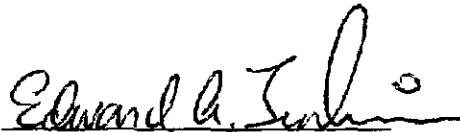
Forum Fees	= \$ 4,500.00
<u>Less payments</u>	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 4,500.00

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

ARBITRATION PANEL

Edward A. Trabin, Esq.	-	Public Arbitrator, Presiding Chair
Howard N. Hamel, Esq.	-	Public Arbitrator
Allan D. Stampa	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Edward A. Trabin, Esq.
Chair, Public Arbitrator

2/18/03
Signature Date

Howard N. Hamel, Esq.
Public Arbitrator

Signature Date

Allan D. Stampa
Non-Public Arbitrator

Signature Date

Date Served:

FEB 24 2003

Date of Service
(NASD Use Only)

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Howard N. Hamel, Esq.	-	Public Arbitrator
Allan D. Stampa	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Edward A. Trabin, Esq.
Chair, Public Arbitrator



Howard N. Hamel, Esq.
Public Arbitrator

Signature Date

2/20/03

Signature Date

Allan D. Stampa
Non-Public Arbitrator

Signature Date

Date Served:

FEB 24 2003

Date of Service
(NASD Use Only)

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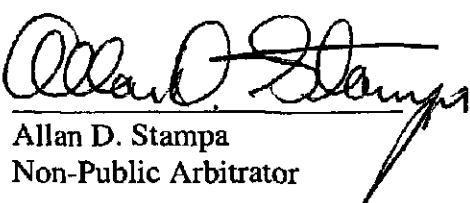
Concurring Arbitrators' Signatures

Edward A. Trabin, Esq.
Chair, Public Arbitrator

Signature Date

Howard N. Hamel, Esq.
Public Arbitrator

Signature Date


Allan D. Stampa
Non-Public Arbitrator

2-16-03
Signature Date

Date Served:

FEB 24 2003

Date of Service
(NASD Use Only)