

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Francisco Pedros, (Claimant) vs. Gilford Securities Incorporated, Gabriel Carino, Howard Perkins, and Chris Pomarico, (Respondents)

Case Number: 01-00196

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Francisco Pedros, hereinafter referred to as "Claimant": Carole R. Bernstein, Esq., Law Offices of Carole R. Bernstein, Westport, CT.

Respondents, Gilford Securities Incorporated ("Gilford"), Gabriel Carino ("Carino"), Howard Perkins ("Perkins"), and Chris Pomarico ("Pomarico"), hereinafter collectively referred to as "Respondents": Michael Kalmus, Esq., Kalmus & Martuscello, P.C., New York, NY. Previously represented by: Norman S. Lawi, Esq., General Counsel, Gilford Securities Incorporated, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 12, 2001.

Reply to Counterclaim and Motion to Dismiss filed by Claimant on or about: April 11, 2001.

Claimant signed the Uniform Submission Agreement.

Joint Statement of Answer, Counterclaim, and Motion to Dismiss filed by Respondents on or about: March 20, 2001.

Gilford signed the Uniform Submission Agreement: March 13, 2001.

Carino did not sign a Uniform Submission Agreement.

Perkins signed the Uniform Submission Agreement: February 9, 2001.

Pomarico signed the Uniform Submission Agreement: March 29, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: violations of the NASD Rules of Fair Practice; fraud in the offer and sale of securities; violations of Section 10(b) of the Exchange Act and Rules 10b-5 and 10b-10 promulgated thereunder; unsuitability; breach of fiduciary duty; misrepresentations; failure to provide customer confirmations; failure to supervise; conversion; breach of contract; negligence; churning; and sale of securities by an unregistered person. Claimant's claim involved options in Quarterdeck Corp. and Cascade Communications, Inc., as well as the WINA Fund, the Privilege Fund, and a private placement called "Lightwaves".

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant authorized and accepted the purchases and sales of securities in his account of which he complains; Claimant's alleged losses were attributed to general market conditions and/or specific conditions of the companies in which he made investments, and not to any willful and/or negligent action, inaction, or decisions made by Respondents; Claimant failed to mitigate his damages; Claimant received in a timely and appropriate manner all confirmations and monthly statements of his purchases and sales and, therefore, ratified each and every trade and is contractually bound by his decisions; Claimant's account was handled properly and in full accordance with all applicable laws, rules, and regulations; Claimant expressly and inherently assumed any and all risks concerning any alleged damages in entering into the subject transactions; Claimant fails to state a cause of action or claim for which relief may be granted; the claims in the Statement of Claim are barred by the Statute of Limitations; the claims in the Statement of Claim are barred under the theories of Contract, Principal and Agency, Dominion and Control, Waiver and Estoppel, as well as the Doctrine of Clean Hands; and the proximate cause for any alleged losses or damages sustained by Claimant was not due to any action or inaction on the part of Respondents.

In their Counterclaim, Respondents asserted the following causes of action: libel and defamation of character.

Unless specifically admitted in his Reply, Claimant denied the allegations made in the Counterclaim and asserted the following defenses: there is no basis in law or fact for the filing of Respondents' Counterclaim; the allegations made in the Statement of Claim are made "upon information and belief"; statements made as part of a judicial proceeding or quasi judicial proceeding, such as an NASD arbitration, enjoy absolute immunity; and truth is an absolute defense to a defamation claim.

RELIEF REQUESTED

Claimant requested:

- a. Compensatory damages in the amount of \$1,000,000.00;
- b. Damages for all dealer markups, markdowns, profits, commissions, and fees received by Respondents from any transactions effected on Claimant's behalf;
- c. All margin interest accrued as a result of the mismanagement of Claimant's account;
- d. Punitive damages;
- e. Attorneys' fees;
- f. Forum fees, hearing fees, and costs; and
- g. Interest at the prevailing statutory rate from the date of the transactions until the date of the Award.

In their Answer and Counterclaim, Respondents requested:

- a. That Claimant's Statement of Claim be dismissed in its entirety;
- b. That Respondents recover their costs, expenses, and damages, to be determined by the Panel, against Claimant for defamation of character with respect to Respondents herein;
- c. That all costs, expenses, and interest be assessed against Claimant for bringing a frivolous, misrepresentative, and defamatory claim; and
- d. Such other and further relief as the Panel deems just and proper.

In his Reply, Claimant requested that the Panel dismiss outright the bad-faith filing of a Counterclaim against him.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the conclusion of the hearing, Claimant and Respondents agreed to enter into a Stipulated Award which they executed on February 20, 2002 and February 28, 2002, respectively. This Stipulated Award is attached hereto, and is being submitted to the Panel for its consideration.

Carino did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, is bound by the determination of the Panel on all issues submitted.

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

On February 20, 2002 and February 28, 2002, respectively, the parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of all parties for entry of an Award, the written stipulation thereto, the Panel hereby grants the motion and enters this Award granting the following relief:

1. The above-captioned arbitration proceeding, and all claims and causes of action asserted therein, are hereby dismissed with prejudice.
2. Any and all Counterclaims set forth therein are hereby dismissed with prejudice.
3. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondents Carino, Perkins, and Pomarico's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Carino, Perkins, and Pomarico must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. All parties to the above-captioned arbitration agree to bear their own costs and attorneys' fees.
5. All other relief not specifically addressed herein is 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	= \$ 375.00
Counterclaim filing fee	= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Gilford Securities Incorporated is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

Dec. 12, 13, 14, 17, 18 & 19, 2001, adjournment by Respondents = WAIVED

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:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00	= \$ 900.00
Pre-hearing conferences: September 6, 2001	1 session
October 16, 2001	1 session

One (1) Pre-hearing session with Panel x \$1,200.00	= \$1,200.00
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Pre-hearing conference: June 27, 2001	1 session
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Total Forum Fees	= \$2,100.00
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1. The Panel has assessed \$420.00 of the forum fees against Claimant.
2. The Panel has assessed \$420.00 of the forum fees against Gilford.
3. The Panel has assessed \$420.00 of the forum fees against Carino.
4. The Panel has assessed \$420.00 of the forum fees against Perkins.
5. The Panel has assessed \$420.00 of the forum fees against Pomarico.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 420.00
Total Fees	= \$ 795.00
<u>Less payments</u>	= \$1,575.00
Refund Due Claimant	= \$ 780.00

2. Gilford be and hereby is solely liable for:

Member Fees	= \$6,100.00
<u>Forum Fees</u>	= \$ 420.00
Total Fees	= \$6,520.00
<u>Less payments</u>	= \$7,200.00
Refund Due Gilford	= \$ 680.00

3. Carino be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 420.00
Total Fees	= \$ 420.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 420.00

4. Perkins be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 420.00
Total Fees	= \$ 420.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 420.00

5. Pomarico be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 420.00
Total Fees	= \$ 420.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 420.00

6. Respondents be and hereby are jointly and severally liable for:

<u>Counterclaim Filing Fee</u>	= \$ 500.00
Total Fees	= \$ 500.00
<u>Less payments</u>	= \$ 500.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

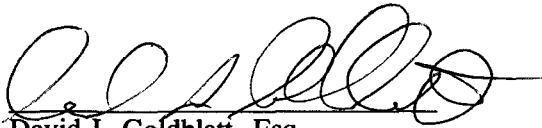
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

David I. Goldblatt, Esq.	-	Public Arbitrator, Presiding Chair
Stanley H. Labinger	-	Public Arbitrator
Robert Manfredo	-	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.



David I. Goldblatt, Esq.
Public Arbitrator, Presiding Chair

3/25/02
Signature Date

Stanley H. Labinger
Public Arbitrator

Signature Date

Robert Manfredo
Industry Arbitrator

Signature Date

April 2, 2002

Date of Service (For NASD office use only)

ARBITRATION PANEL

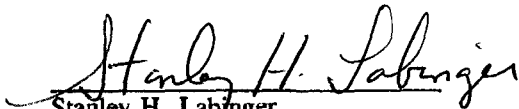
David I. Goldblatt, Esq.	-	Public Arbitrator, Presiding Chair
Stanley H. Labinger	-	Public Arbitrator
Robert Manfredo	-	Industry Arbitrator

Concurring Arbitrators' Signatures

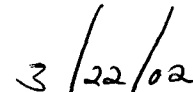
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

David I. Goldblatt, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Stanley H. Labinger
Public Arbitrator



Signature Date

Robert Manfredo
Industry Arbitrator

Signature Date

April 2, 2002

Date of Service (For NASD office use only)

ARBITRATION PANEL

David I. Goldblatt, Esq.	-	Public Arbitrator, Presiding Chair
Stanley H. Labinger	-	Public Arbitrator
Robert Manfredo	-	Industry Arbitrator

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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.

David I. Goldblatt, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Stanley H. Labinger
Public Arbitrator

Signature Date



Robert Manfredo
Industry Arbitrator

3/22/02
Signature Date

April 2, 2002

Date of Service (For NASD office use only)

**BEFORE THE NATIONAL ASSOCIATION
OF SECURITIES DEALERS, INC.**

-----X
In the Matter of Arbitration Between

FRANCISCO PEDROS

NASD Arbitration No.
01-00196

Claimant,

and

GILFORD SECURITIES, INC.,
GABRIEL CARINO, CHRIS
POMARICO AND HOWARD PERKINS

Respondents.

-----X

AWARD BY CONSENT

REPRESENTATION

For Claimant: Carole R. Bernstein, Esq., Law Office of Carole R. Bernstein, 41 Maple Avenue North Westport, CT 06880.

For Respondents: Michael Kalmus, Esq. 850 Third Avenue, New York, NY 10022.

CASE INFORMATION

Statement of Claim filed on or about January 4, 2001.

Statement of Answer and Counter Claim filed by Respondents' on March 20, 2001.

HEARING INFORMATION


The parties reached a settlement and agreed to enter into an award by consent.

AWARD

The parties have entered into a Settlement Agreement. As part of the Settlement Agreement, the parties have consented to the following award:


1. The captioned arbitration proceeding and all claims and causes of action asserted therein are hereby dismissed with prejudice.
2. Any and all counterclaims set forth therein are dismissed with prejudice.
3. The Panel recommends the expungement of any and all references to the captioned arbitration set forth in respondents Howard Perkins, Gabriel Carino and Chris Pomarico's registration records maintained by the Central Registration Depository ("CRD") with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Howard Perkins, Gabriel Carino and Chris Pomarico must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. All parties to the captioned arbitration agree to bear their own costs and attorneys' fees.
5. All other relief not specifically addressed herein is denied.

Approved as to form and content:



Carole R. Bernstein, Esq.
Claimant's Counsel

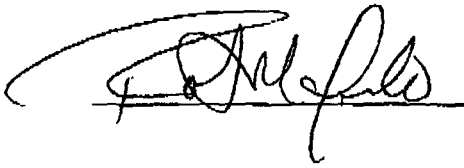
Dated: 2/20/02



Michael Kalms, Esq.
Respondents' Counsel

Dated: 2/28/02

Concurring Arbitrators:

A handwritten signature in cursive script, appearing to read "J. M. [unclear]", written over a horizontal line.

3/22/02
Date

Date

Date

Concurring Arbitrators:

Stacy Labing

Date

3/22/02


Date

Date

Concurring Arbitrators:

_____

Date

X 

DAVID GOLDBLATT

Date
4/1/02