

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Arthur M. Mintz individually, Abby Mintz individually, Arthur M. Mintz and Abby Mintz as Trustees for Mintz Family Trust dated July 7, 1988, Claimants v. Centex Securities, Inc. and Ron D. Brouillette, Jr., Respondents

Case Number: 01-00282

Hearing Site: San Francisco, California

REPRESENTATION OF PARTIES

For Claimants:

Ronald Marron, Esq.
Marron & Wilson, LLP
San Diego, California

For Respondent Centex Securities, Inc.:

Bruce A. Biddick
Centex Securities, Inc.
Solana Beach, California

For Respondent Ron D. Brouillette, Jr.:

Ron D. Brouillette, Jr.
San Diego, California

CASE INFORMATION

Statement of Claim filed on or about: January 16, 2001

Claimants' Uniform Submission Agreement filed on or about: January 18, 2001

Statement of Answer filed by Respondent, Centex Securities, Inc. ("Centex"), on or about: March 14, 2001

Respondent Centex's Uniform Submission Agreement signed: March 14, 2001

CASE SUMMARY

Claimants alleged the following claims with respect to investments in various securities: 1) Breach of Implied Covenant of Good Faith and Fair Dealing; 2) Fraud: Misrepresentation in Securities Transaction; 3) Breach of Fiduciary Duty; 4) Negligent Supervision Against Centex; 5) Conversion; 6) Sale of Securities Not Qualified for Sale and Restitution and/or Damages, Corp. Code 25503, 25110, 25130; 7) Violation of Chapter 11 of the Welfare and Institutions Code (Elder Abuse and Dependant Adult Civil Protection Act); 8) Erisa Liability; 9) Violation of

Section 12(2) of the 1933 Securities Act; and 10) Section 20(a) of the 1934 Securities Exchange Act, Uniform Securities Act Section 410(b) and Control Person Liability.

Respondent Centex denied Claimants' allegations of wrongdoing and denied any liability to Claimants. Respondent Centex also asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested:

1. General damages of \$1,000,000.00, or according to proof;
2. Special damages according to proof;
3. Punitive and exemplary damages in an amount sufficient to deter Respondents from similar future conduct;
4. Money damages according to proof, or, at Claimants' election, a rescission of the purchase/sale of the Pay Pop securities;
5. Costs of suit and reasonable attorney's fees; and
6. Such other and further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Brouillette did not file with NASD Dispute Resolution, Inc. ("NASD-DR") a Statement of Answer or properly executed submission to arbitration and did not appear at the hearing in this matter. Additionally, Respondent Centex did not appear at the hearing. Upon review of the file and the representations made on behalf of the Claimants, the Panel determined that Respondent Brouillette was properly served with the Statement of Claim and received due notice of the hearing, and that the arbitration of the above-captioned matter would proceed without Respondent Brouillette present, in accordance with the NASD-DR Code of Arbitration Procedure ("the Code"). The Panel also determined that Respondent Centex received due notice of the hearing, and that the arbitration of the above-captioned matter would proceed without Respondent Centex present pursuant to the Code.

At hearing, the Panel was advised that Claimants had settled their claims with Respondent Bruce A. Biddick.

Claimants 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, Centex and Brouillette, are jointly and severally liable for and shall pay to Claimants the sum of \$83,450.00.
- 2) Respondents, Centex and Brouillette, are jointly and severally liable for and shall pay to Claimants the sum of \$375.00 as reimbursement for Claimants' filing fee.
- 3) Claimants' claims for punitive and exemplary damages are denied.
- 4) Each party shall bear its own costs, including attorney's fees.
- 5) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$375.00
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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, Centex, is a party and the following fees are assessed:

Member Surcharge	= \$2,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$3,500.00</u>
Total Member Fees	= \$6,100.00

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 Chair/Panel. The following fees are assessed:

(1) Pre-hearing session with a single arbitrator @ \$450.00/session	= \$450.00
Pre-hearing conference: September 24, 2001 1 session	

(2) Pre-hearing conference sessions with the Panel @ \$1,200/session	= \$2,400.00
Pre-hearing conferences: August 2, 2001 1 session	
November 1, 2001 1 session	

(2) Hearing sessions @ \$1,200.00/session = \$2,400.00
Hearing: November 12, 2001 2 sessions

Total Forum Fees = \$5,250.00

The Panel assessed the \$5,250.00 in forum fees jointly and severally to Respondents, Centex and Brouillette.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

The parties did not incur administrative costs.

Fee Summary

1. Claimants are charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Administrative Costs	= \$ 0.00
Total Fees	= \$ 375.00
Less Payments	= \$(1,575.00)
Balance (Refund)	= \$ 1,200.00

2. Respondent, Centex, is charged with the following fees and costs:

Member Fees	= \$ 6,100.00
Total Fees	= \$ 6,100.00
Less Payments	= \$(0.00)
Balance Due NASD-DR	= \$ 6,100.00

3. Respondents, Centex and Brouillette, are charged with the following fees and costs:

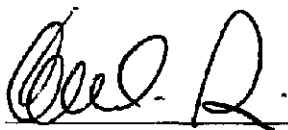
Forum Fees	= \$ 5,250.00
Administrative Costs	= \$ 0.00
Total Fees	= \$ 5,250.00
Less Payments	= \$(0.00)
Balance Due NASD-DR	= \$ 5,250.00

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

ARBITRATION PANEL

Edwin C. Shiver, Esq.	-	Public Arbitrator, Presiding Chair
Martin J. Haley, Esq.	-	Public Arbitrator
Stephen Gregory Brown	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Edwin C. Shiver, Esq.
Chair, Public Arbitrator

12/04/2001

Signature Date

Martin J. Haley, Esq.
Public Arbitrator

Signature Date

Stephen Gregory Brown
Non-Public Arbitrator

Signature Date

Date Served:

DEC 13 2001

Date of Service

ARBITRATION PANEL

Edwin C. Shiver, Esq.	-	Public Arbitrator, Presiding Chair
Martin J. Haley, Esq.	-	Public Arbitrator
Stephen Gregory Brown	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Edwin C. Shiver, Esq.
Chair, Public Arbitrator

Signature Date


Martin J. Haley, Esq.
Public Arbitrator

11-27-01
Signature Date

Stephen Gregory Brown
Non-Public Arbitrator

Signature Date

Date Served:

DEC 13 2001
Date of Service

ARBITRATION PANEL

Edwin C. Shiver, Esq.	-	Public Arbitrator, Presiding Chair
Martin J. Haley, Esq.	-	Public Arbitrator
Stephen Gregory Brown	-	Non-Public Arbitrator

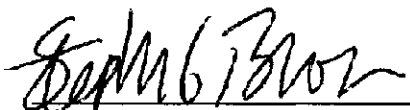
Concurring Arbitrators' Signatures

Edwin C. Shiver, Esq.
Chair, Public Arbitrator

Signature Date

Martin J. Haley, Esq.
Public Arbitrator

Signature Date


Stephen Gregory Brown
Non-Public Arbitrator

12-6-01
Signature Date

Date Served:

DEC 13 2001

Date of Service