

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Richard Seidenstricker

and

01-01728
Minneapolis, Minnesota

Name of Respondents

Tasin & Company, Inc.
Robert Francis Tassinari
Chanse Keith Menendez, Sr.

REPRESENTATION OF PARTIES

Richard Seidenstricker ("**Claimant**") was represented by Terrence J. Fleming, Esq., and William F. Stute, Esq., Lindquist & Vennum, P.L.L.P., Minneapolis, Minnesota.

Tasin & Company, Inc. ("**Respondent Tasin**") and Robert Francis Tassinari ("**Respondent Tassinari**") did not appear at or participate in the hearing.

Chanse Keith Menendez, Sr. ("**Respondent Menendez**") was represented by Timothy Feil, Brian Reis Associates, New York, New York. Respondent Chanse Keith Menendez, Sr. did not attend the hearing.

CASE INFORMATION

The Statement of Claim was filed on or about April 5, 2001. Submission Agreement of Claimant Richard Seidenstricker was signed on March 30, 2001.

Respondent Tasin & Company, Inc. did not file a responsive pleading.

Statement of Answer was filed by Respondent Robert Francis Tassinari on or about May 24, 2001. Submission Agreement of Respondent Robert Francis Tassinari was signed on May 22, 2001.

Statement of Answer was filed by Respondent Chanse Keith Menendez, Sr. on or about March 5, 2002.

CASE SUMMARY

Claimant submitted the following summary:

Claimant Richard Seidenstricker sought to recover money damages from Respondents arising out of claims of securities fraud, breach of contract, theft, misrepresentation, negligent misrepresentation. Claimant also sought punitive damages.

Upon the motion of Claimant, unopposed by Respondent Menendez's counsel, the claims against Respondent Menendez were bifurcated from the claims against the other Respondents and heard first at the hearing.

Claimant Richard Seidenstricker alleged that Respondent Menendez made a variety of mistakes in the handling of this account, and failed to sell JB Oxford stock as instructed. He sought damages from Menendez based on his failure to sell his JB Oxford stock as Claimant instructed.

Claimant alleged that Respondent Tassinari was introduced as Claimant's new broker due to problems with Respondent Menendez. Respondent Tassinari is alleged to have promised he would not charge Claimant commissions in the future in this account, but that commissions were charged. Claimant also alleges that Respondent Tassinari promised to refund the amount of Claimant's loss due to Respondent Menendez's failure to sell the JB Oxford stock as instructed.

Claimant alleged that Respondent Tassinari then engaged in the unauthorized purchase and sale of a number of securities, including restricted warrants. Respondent Tassinari was also alleged to have fraudulently induced Claimant to wire-transfer funds from non-brokerage accounts into accounts held by third parties, based on false representations that these funds would eventually result in an investment for Claimant, and that Claimant executed these wire transfers based on Respondent Tassinari's promises and representations. Claimant alleged that these funds did not result in an investment, but instead were used by the third-party account holders to satisfy personal debts of Respondent Tassinari.

Respondents denied the allegations set forth in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages of about \$2,000,000.00, punitive damages in the amount of \$6,000,000.00, reasonable attorneys' fees and costs, and such other relief as is allowed by law and as the panel deems just and equitable.

At the hearing, Claimant Richard Seidenstricker sought damages of \$49,799.53 from Respondent

Menendez for the failure to sell JB Oxford Stock as instructed.

Claimant Richard Seidenstricker sought damages against Respondent Tassinari as follows:

- \$102,654.11 for breach of contract arising out of promises not to charge commissions or margin interest and failure to cancel unauthorized trades as promised, and selling the stock that was purchased without authority at a loss instead.
- \$467,935 for the theft of funds by Respondent Tassinari and third-parties at his direction, and for the Respondent Tassinari's fraudulently inducing Claimant to transfer the funds.
- \$351,000 against Respondent Tassinari for the unauthorized transfer of cash out of his Tasin & Co. account.
- \$94,800 against Respondent Tassinari for the unauthorized sales of VF Corp. and Baxter stock, resulting in increased tax liability.
- \$878,000 against Respondent Tassinari for losses incurred in the unauthorized purchase and sale of DiaSys and for fraudulent inducing Claimant to purchase DiaSys stock.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondents Tasin & Company, Inc. and Robert Francis Tassinari, have been properly served with the Statement of Claim pursuant to Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondents Tasin & Company, Inc. and Robert Francis Tassinari have received due notice of the *hearing as required under Rule 10315 of the Code* and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

Respondents Tasin & Company, Inc. and Chanse Keith Menendez, Sr. did not file with the NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the Code and are bound by the determination of the arbitration 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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Chanse Keith Menendez, Sr. is liable for and shall pay to Claimant Richard Seidenstricker \$28,400 in compensatory damages.
2. Respondent Robert Francis Tassinari is liable for and shall pay to Claimant Richard Seidenstricker \$960,000 in compensatory damages; zero dollars in punitive damages; \$41,000 in attorney's fees; and \$1,600 in costs related to this matter.
3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is Tasin & Company, Inc.

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

Adjournment Fees

Adjournments requested during these proceedings:

Hearing Dates of February 11-13, 2002 adjournment by Respondent Menendez = \$1,200.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00

Pre-hearing conference(s): December 21, 2001 1 session

Three (3) Pre-hearing session(s) with Panel x \$1,200.00 = \$3,600.00

Pre-hearing conference(s): October 15, 2001 1 session

November 29, 2001 1 session

February 11, 2002 1 session

Two (2) Hearing sessions x \$1,200.00 = \$2,400.00

Hearing Date(s): March 14, 2002 2 sessions

Total Forum Fees = \$6,450.00

The Arbitration Panel has assessed \$2,150.00 of the forum fees to Chanse Keith Menendez, Sr.

The Arbitration Panel has assessed \$4,300.00 of the forum fees to Robert Francis Tassinari.

Fee Summary

Claimant, Richard Seidenstricker, shall be and hereby is liable for:

Initial Filing Fee = \$ 600.00

Forum Fees = \$ 0.00

Total Fees = \$ 600.00

Less payments = \$1,800.00

Balance to be refunded by NASD Dispute Resolution, Inc. = \$1,200.00

Respondent, Tasin & Company, Inc., shall be and hereby is liable for:

Member Fees waived	= \$8,600.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees waived	= \$8,600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent, Chanse Keith Menendez, Sr., shall be and hereby is liable for:

Adjournment Fee	= \$1,200.00
<u>Forum Fees</u>	= \$2,150.00
Total Fees	= \$3,350.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,500.00

Respondent, Robert Francis Tassinari, shall be and hereby is liable for:

<u>Forum Fees</u>	= \$4,300.00
Total Fees	= \$4,300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,300.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Judith A. Rogosheske, Esq. - Public Arbitrator, Presiding Chair
Matthew T. Boos, Esq. - Public Arbitrator
Jacque E. Foust - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Judith A. Rogosheske
Judith A. Rogosheske, Esq.
Public Arbitrator, Presiding Chair

March 25, 2002
Signature Date

/s/ Matthew T. Boos
Matthew T. Boos, Esq.
Public Arbitrator

March 25, 2002
Signature Date

/s/ Jacque E. Foust
Jacque E. Foust
Non-Public Arbitrator

March 25, 2002
Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 01-01728
Award Page 6 of 6

Member Fees waived	= \$8,600.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees waived	= \$8,600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent, Chance Keith Menendez, Sr., shall be and hereby is liable for:

Adjournment Fee	= \$1,200.00
<u>Forum Fees</u>	= \$2,150.00
Total Fees	= \$3,350.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,500.00

Respondent, Robert Francis Tassinari, shall be and hereby is liable for:

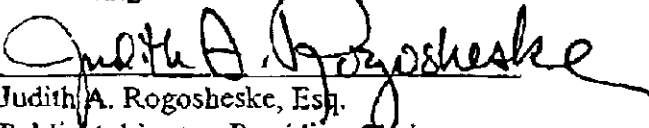
<u>Forum Fees</u>	= \$4,300.00
Total Fees	= \$4,300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,300.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Judith A. Rogosheske, Esq. - Public Arbitrator, Presiding Chair
Matthew T. Boos, Esq. - Public Arbitrator
Jacque E. Foust - Non-Public Arbitrator

Concurring Arbitrators:


Judith A. Rogosheske, Esq.
Public Arbitrator, Presiding Chair

25 March 2002
Signature Date

Matthew T. Boos, Esq.
Public Arbitrator

Signature Date

Jacque E. Foust
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.

Arbitration No. 01-01728

Award Page 6 of 6

Member Fees waived	= \$8,600.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees waived	= \$8,600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent, Chanse Keith Menendez, Sr., shall be and hereby is liable for:

Adjournment Fee	= \$1,200.00
<u>Forum Fees</u>	= \$2,150.00
Total Fees	= \$3,350.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,500.00

Respondent, Robert Francis Tassinari, shall be and hereby is liable for:

<u>Forum Fees</u>	= \$4,300.00
Total Fees	= \$4,300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,300.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Judith A. Rogosheske, Esq. - Public Arbitrator, Presiding Chair

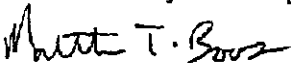
Matthew T. Boos, Esq. - Public Arbitrator

Jacque E. Foust - Non-Public Arbitrator

Concurring Arbitrators:

Judith A. Rogosheske, Esq.
Public Arbitrator, Presiding Chair

Signature Date



3/25/02

Matthew T. Boos, Esq.
Public Arbitrator

Signature Date

Jacque E. Foust
Non-Public Arbitrator

Signature Date

01-01728

NASD Dispute Resolution, Inc.
 Arbitration No. 01-01728
 Award Page 6 of 6

Member Fees waived	= \$8,600.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees waived	= \$8,600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent, Chanse Keith Menendez, Sr., shall be and hereby is liable for:

Adjournment Fee	= \$1,200.00
<u>Forum Fees</u>	= \$2,150.00
Total Fees	= \$3,350.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,500.00

Respondent, Robert Francis Tassinari, shall be and hereby is liable for:

<u>Forum Fees</u>	= \$4,300.00
Total Fees	= \$4,300.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$4,300.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Judith A. Rogosheske, Esq. - Public Arbitrator, Presiding Chair
 Matthew T. Boos, Esq. - Public Arbitrator
 Jacques E. Foust - Non-Public Arbitrator

Concurring Arbitrators:

 Judith A. Rogosheske, Esq.
 Public Arbitrator, Presiding Chair

 Signature Date

 Matthew T. Boos, Esq.
 Public Arbitrator

 Signature Date


 Jacques E. Foust
 Non-Public Arbitrator

March 25, 2002
 Signature Date