

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Robert and Betty Goldstein, (Claimants) vs. John Hancock Financial Services, Inc., Signator Investors, Inc., and Charles Carinda, (Respondents)

Case Number: 01-01735

Hearing Site: Boston, Massachusetts

REPRESENTATION OF PARTIES

Claimants, Robert and Betty Goldstein, hereinafter collectively referred to as "Claimants": Thomas H. Tucker, Esq., a sole practitioner, Duxbury, MA.

Respondents, John Hancock Financial Services, Inc. ("Hancock") and Signator Investors, Inc. ("Signator"): Michael A. Fitzhugh & Associates, Boston, MA.

Respondent, Charles Carinda ("Carinda"): Warren D. Hutchison, Esq., Donovan Hatem, LLP, Boston, MA.

CASE INFORMATION

Statement of Claim filed on or about: April 2, 2001.

Amended Statement of Claim filed on or about: May 10, 2001.

Claimants signed the Uniform Submission Agreement: April 2, 2001.

Claimants signed the Revised Uniform Submission Agreement: May 10, 2001.

Joint Statement of Answer and Crossclaim filed by Hancock and Signator on or about: July 17, 2001.

Hancock did not sign a Uniform Submission Agreement.

Signator did not sign a Uniform Submission Agreement.

Statement of Answer filed by Carinda on or about: July 19, 2001.

Carinda did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; misrepresentation; failure to diversify; failure to explain service charges; and forgery. Claimants' claim involved the John Hancock Sovereign Investors Fund.

Unless specifically admitted in their Answer, Hancock and Signator denied the allegations made in the Statement of Claim and Amended Statement of Claim and asserted the following defenses: the Statement of Claim does not allege any facts sufficient to impose liability upon Hancock and/or Signator for any acts committed directly by either of them; as Hancock and Signator's agent, Carinda acted properly in rendering investment advice; Claimants seek rescission of the transaction in dispute, but there are no facts set forth warranting such an equitable remedy; Claimants' claim for monetary damages is not set forth with sufficient clarity or factual basis; the John Hancock Sovereign Investors fund was generally consistent with an investment vehicle of the sort requested by Claimants, the risks of which were fully explained to them; and any damages sustained by Claimants resulted from their own actions in making inappropriate and unwise investment decisions.

In their Crossclaim against Carinda, Hancock and Signator asserted the following cause of action: indemnification.

Unless specifically admitted in his Answer, Carinda denied the allegations made in the Statement of Claim and Amended Statement of Claim and asserted the following defenses: Claimants fail to state a claim upon which relief can be granted; Claimants' claim are barred, or any damages must be reduced on the account of, contributory negligence; Claimants' claims are barred by estoppel, failure of consideration, laches, statute of limitations, waiver, and ratification; and any damages sustained by Claimants were the result of the conduct of individuals over whom Carinda had no control.

RELIEF REQUESTED

Claimants requested rescission of their investment in the John Hancock Sovereign Investors Fund and recovery of the \$230,000.00 invested therein, recovery of their attorneys' fees, and interest on the \$230,000.00 from the date of the investment pursuant to the Massachusetts Uniform Securities Act M.G.L.ch.110A, section 410(a)(2).

Hancock and Signator requested indemnification and/or contribution from Carinda in the event that they are found liable to Claimants, plus the attorneys' fees expended in defending this action.

Carinda requested that this matter be dismissed, and that he be awarded his costs and such other relief as is just and appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the conclusion of the hearings in this matter, arbitrator Henry Schmelzer's classification changed from Industry Arbitrator to Public Arbitrator. NASD Dispute Resolution, Inc. notified the parties of this change in classification, and all parties agreed to proceed with a Panel of three Public Arbitrators.

During the hearings in this matter, Respondent Carina made a motion for a directed verdict. The Panel denied said motion.

Hancock, Signator, and Carinda did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, appeared and testified at the hearing, are 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

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

1. Hancock be and hereby is ordered to allow Claimants to withdraw all of their investments with Hancock, within sixty days of the date of this Award, without payment of any further contingent deferred sales charge applicable to the John Hancock Sovereign Investors Fund Class B shares purchased through Respondent Carinda.
2. Carinda be and hereby is liable for and shall indemnify Hancock for any losses in contingent deferred sales charges resulting from this Award.
3. All claims against Signator are hereby dismissed.
4. Carinda be and hereby is solely liable for and shall pay to Claimants the sum of \$300.00, to reimburse Claimants for the filing fee previously paid to NASD Dispute Resolution, Inc.
5. All other requests for relief are hereby 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	= \$ 300.00
Crossclaim filing fee	= \$1,000.00

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, Signator Investors, Inc. is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

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:

One (1) Pre-hearing session with Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: October 30, 2001	1 session

Four (4) Hearing sessions x \$1,125.00	= \$4,500.00
Hearing Dates: February 26, 2002	2 sessions
April 9, 2002	2 sessions

Total Forum Fees	= \$5,625.00
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1. The Panel has assessed \$2,812.50 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$2,812.50 of the forum fees against Carinda.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$2,812.50</u>
Total Fees	= \$3,112.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,687.50

As stated in the "Award" section above, Carinda be and hereby is liable and shall reimburse Claimants for the \$300.00 filing fee.

2. Hancock and Signator be and hereby are jointly and severally liable for:

<u>Crossclaim Filing Fee</u>	<u>= \$1,000.00</u>
Total Fees	= \$1,000.00
<u>Less payments (made by Hancock)</u>	<u>= \$2,125.00</u>
Refund Due Hancock	= \$1,125.00

3. Signator be and hereby is solely liable for:

<u>Member Fees</u>	<u>= \$4,600.00</u>
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$4,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

4. Carinda be and hereby is solely liable for:


<u>Forum Fees</u>	<u>= \$2,812.50</u>
Total Fees	= \$2,812.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$2,812.50

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

ARBITRATION PANEL

B.J. Krintzman, Esq.	-	Public Arbitrator, Presiding Chair
Lisette C. Smith	-	Public Arbitrator
Henry L.P. Schmelzer, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures



B.J. Krintzman, Esq.
Public Arbitrator, Presiding Chair

4/23/02

Signature Date

Lisette C. Smith
Public Arbitrator

Signature Date

Henry L.P. Schmelzer, Esq.
Public Arbitrator

Signature Date

May 8, 2002

Date of Service (For NASD office use only)

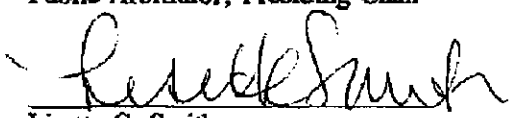
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Henry L.P. Schmelzer, Esq.	-	Public Arbitrator

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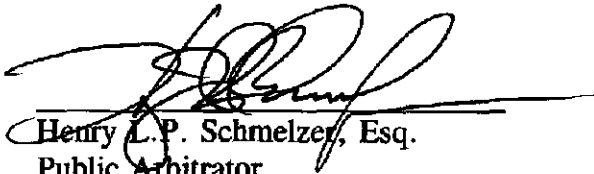
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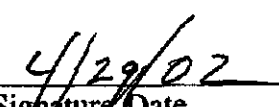
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