

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Dr. Joginder S. Soni, Claimant v. Brookshire Securities Corp., Brookshire Holdings, Inc.
Timothy B. Ruggiero, Sheldon M. Goldberg and Renzo D. Traverso, Respondents

Case Number: 01-03090

Hearing Site: San Francisco, California

Nature of the Dispute: Customer v. Member, Non-Member and Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

Scott M. Ratchick, Esq.
Hunton & Williams
Atlanta, Georgia

For Respondents Brookshire Securities Corp.,
Brookshire Holdings, Inc., Timothy B. Ruggiero,
and Sheldon M. Goldberg:

David E. Robbins, Esq.
Kaufmann, Feiner, Yamin, Gildin & Robbins
New York, New York

For Respondent Renzo D. Traverso:

Frederick A. Love, Esq.
Law Offices of Frederick A. Love
Pembroke Pines, Florida

CASE INFORMATION

Statement of Claim filed: June 8, 2001

Claimant's Uniform Submission Agreement signed: June 7, 2001

Joint Statement of Answer filed by Respondents Brookshire Securities Corp., Brookshire Holdings, Inc., Timothy B. Ruggiero and Sheldon M. Goldberg: December 7, 2001

Statement of Answer filed by Respondent Renzo D. Traverso: September 4, 2001

Respondent Brookshire Securities Corp.'s Uniform Submission Agreement signed:
November 21, 2001

Respondent Brookshire Holdings, Inc.'s Uniform Submission Agreement: None Filed

Respondent Timothy B. Ruggiero's Uniform Submission Agreement signed: November 21, 2001

Respondent Sheldon M. Goldberg's Uniform Submission Agreement signed: November 21, 2001

Respondent Renzo D. Traverso's Uniform Submission Agreement: None Filed

CASE SUMMARY

Claimant alleged breach of fiduciary duty, fraud, intentional misrepresentation, non-disclosure, breach of contract and violation of federal racketeering laws. Claimant's allegations involved numerous securities transactions, including but not limited to Metromedia Fiber Network, Neomagic Corp. and Brookshire Holdings stock.

Respondents Brookshire Securities Corp., Brookshire Holdings, Inc., Timothy B. Ruggiero and Sheldon M. Goldberg denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in excess of \$10,000,000.00, treble damages, interest and costs, including attorney's fees.

Respondents Brookshire Securities Corp., Brookshire Holdings, Inc., Timothy B. Ruggiero and Sheldon M. Goldberg requested dismissal of the Claimant's Statement of Claim in its entirety, and costs, including attorney's fees.

Respondent Renzo D. Traverso requested dismissal of the Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Brookshire Holdings, Inc. did not file with the NASD Dispute Resolution a properly executed submission agreement but having answered the claim, appeared and testified at the hearing is bound by the determination of the Panel on all issues submitted.

On September 4, 2001, Respondent Renzo D. Traverso filed a motion to dismiss the Statement of Claim. On September 19, 2002, the Panel denied the motion without prejudice.

On December 7, 2001, Respondent Brookshire Holdings, Inc. filed a motion to dismiss the Statement of Claim. On August 23, 2002, the Panel denied the motion without prejudice.

On January 24, 2003, Respondent Renzo D. Traverso renewed his motion to dismiss the Statement of Claim. On April 29, 2003, the Panel granted the motion and dismissed Respondent Renzo D. Traverso from the arbitration.

At the hearing, Respondent Brookshire Holdings, Inc. renewed its motion to dismiss the Statement of Claim. The Panel denied the motion.

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 Brookshire Securities Corp., Timothy B. Ruggiero and Sheldon M. Goldberg are jointly and severally liable to and shall pay Claimant the sum of \$500,000.00 in compensatory damages.
2. Respondents Brookshire Securities Corp., Timothy B. Ruggiero and Sheldon M. Goldberg are jointly and severally liable to and shall pay Claimant the sum of \$500,000.00 in punitive damages, in accordance with California Civil Code § 3294.
3. Respondents Brookshire Securities Corp., Timothy B. Ruggiero and Sheldon M. Goldberg are jointly and severally liable to and shall pay Claimant the sum of \$12,143.31 in costs.
4. Respondents Brookshire Securities Corp., Timothy B. Ruggiero and Sheldon M. Goldberg are jointly and severally liable to and shall reimburse Claimant the sum of \$600.00 for arbitration filing fees.
5. Except as noted above, the parties shall bear their respective costs, including attorney's fees.
6. 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 | = \$ 600.00 |
|--------------------------|-------------|

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 Brookshire Securities Corp. is a party and the following fees are assessed:

| | |
|----------------------------|----------------------|
| Member Surcharge | = \$ 3,600.00 |
| Pre-Hearing Process Fee | = \$ 600.00 |
| <u>Hearing Process Fee</u> | = \$ 5,000.00 |
| Total Member Fees | = \$ 9,200.00 |

Adjournment Fees

The following adjournment fees are assessed:

| | |
|---|----------|
| September, 2002 Hearing Dates, adjournment stipulated by the parties; | |
| Fee waived by the Panel | = waived |

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:

| | |
|--|---------------|
| Five (5) Pre-hearing conference sessions with the Panel @ \$1,200.00/session | = \$ 6,000.00 |
| Pre-hearing conferences: | |
| February 21, 2002 | 1 session |
| July 31, 2002 | 1 session |
| September 9, 2002 | 1 session |
| September 19, 2002 | 1 session |
| July 25, 2003 | 1 session |

Ten (10) Hearing sessions @ \$1,200.00/session = \$12,000.00

| | | |
|-----------|------------------|------------|
| Hearings: | February 2, 2004 | 2 sessions |
| | February 3, 2004 | 2 sessions |
| | February 4, 2004 | 2 sessions |
| | February 5, 2004 | 2 sessions |
| | February 6, 2004 | 2 sessions |

Total Forum Fees = **\$18,000.00**

The Panel assessed the entire balance of \$18,000.00 of the forum fees jointly and severally to Respondents Brookshire Securities Corp., Timothy B. Ruggiero and Sheldon M. Goldberg.

Fee Summary

1. Claimant is charged with the following fees and costs:

| | |
|--|------------------------|
| Initial Filing Fee | = \$ 600.00 |
| Less payments | = \$(1,800.00) |
| Refund Due from NASD Dispute Resolution | = \$(1,200.00) |

2. Respondent Brookshire Securities Corp. is charged with the following fees and costs:

| | |
|--|------------------|
| Member Fees | = \$ 9,200.00 |
| Less payments | = \$(9,200.00) |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

3. Respondents Brookshire Securities Corp., Timothy B. Ruggiero and Sheldon M. Goldberg are charged jointly and severally with the following fees and costs:

| | |
|--|-----------------------|
| Forum Fees | = \$ 18,000.00 |
| Less payments by Brookshire Securities Corp. | = \$(88.00) |
| Balance Due NASD Dispute Resolution | = \$ 17,912.00 |

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

| | | |
|--------------------------|---|------------------------------------|
| John J. George, Esq. | - | Public Arbitrator, Presiding Chair |
| Ralph A. Cotton, CPA | - | Public Arbitrator |
| David H.S. Commins, Esq. | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures



John J. George, Esq.
Chair, Public Arbitrator

FEB 18 2004

Signature Date

Ralph A. Cotton, CPA
Public Arbitrator

Signature Date

David H.S. Commins, Esq.
Non-Public Arbitrator

Signature Date

2/18/04
Date of Service

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Arbitration No. 01-03090
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ARBITRATION PANEL

John J. George, Esq.
Ralph A. Cotton, CPA
David H. Commins, Esq.

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Consenting Arbitrators' Signatures

John J. George, Esq.
Chair, Public Arbitrator

Signature Date


Ralph A. Cotton, CPA
Public Arbitrator

2-18-04
Signature Date

David H.S. Commins, Esq.
Non-Public Arbitrator

Signature Date

Date of Service

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| John J. George, Esq. | - | Public Arbitrator, Presiding Chair |
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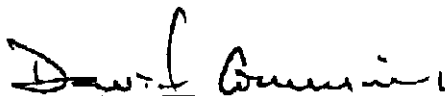
Concurring Arbitrators' Signatures

John J. George, Esq.
Chair, Public Arbitrator

Signature Date

Ralph A. Cotton, CPA
Public Arbitrator

Signature Date



David H.S. Commins, Esq.
Non-Public Arbitrator

2-18-04

Signature Date

2/18/04

Date of Service