

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Janice C. Black

Case Number: 01-03291

Name of the Respondents
Pinnacle Asset Management, Inc.
John J. Katsock, Jr.
John J. Katsock, Sr.

Hearing Site: Philadelphia, PA

REPRESENTATION OF PARTIES

Claimant, Janice C. Black ("Black"), hereinafter referred to as "Claimant", was represented by Thomas P. Donnelly, Esq., Mellon Webster & Mellon, Doylestown, PA.

Respondents, Pinnacle Asset Management, Inc. ("Pinnacle"), John J. Katsock, Jr. ("Katsock, Jr."), and John J. Katsock, Sr. ("Katsock, Sr."), hereinafter referred to as "Respondents," were represented by Denis C. Dice, Esq., Marshall, Dennehey, Warner, Coleman & Goggin, Philadelphia, PA.

CASE INFORMATION

Statement of Claim filed on: June 19, 2001.

Claimant signed the Uniform Submission Agreement on: June 18, 2001.

Preliminary Answer and Motion to Dismiss filed by Respondents Pinnacle and Katsock, Jr. on: July 26, 2001.

Respondent, Pinnacle, did not file a signed Uniform Submission Agreement.

Respondent, Katsock, Jr., did file a signed Uniform Submission Agreement.

Answer in the Form of a Motion to Dismiss Claimant's Statement of Claim filed by Respondent Katsock, Sr. filed on: October 18, 2001.

Respondent, Katsock, Sr., did not file a signed Uniform Submission Agreement.

Claimant filed a Response in Opposition to Respondents' Motion to Dismiss and a Response in Opposition to Respondent Katsock, Sr.'s Answer in the Form of a Motion to Dismiss on: November 28, 2001.

CASE SUMMARY

Claimant asserted the following causes of action, among others: negligence; breach of fiduciary duty; fraud; misrepresentation; non-disclosure; churning; suitability; violations of Section 10(b) of the Securities and Exchange Act of 1934; and, violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Law. The causes of action relate to the purchase and sale of

various unspecified securities.

Unless specifically admitted in their Answer, Respondents Pinnacle and Katsock, Jr. denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted; ratification; waiver; Claimant's claim is barred by the doctrines of estoppel, laches and the applicable statutes of limitations; assumption of risk; and, contributory and/or comparative negligence.

Respondent Katsock, Sr. submitted an Answer in the Form of a Motion to Dismiss Claimant's Statement of Claim for Lack of Jurisdiction.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 700,000
Punitive Damages	\$ 1,400,000
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondents Pinnacle and Katsock, Jr. requested that the Statement of Claim be dismissed with prejudice.

Respondent Katsock, Sr. requested that the claim against him be dismissed with prejudice due to lack of jurisdiction.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Pinnacle, Katsock, Jr., and Katsock, Sr. did not file with NASD Dispute Resolution, a properly executed submission to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

At the hearing, the parties agreed to dismiss Respondent Katsock, Sr. from this proceeding.

At the hearing, the Panel denied Respondents Pinnacle and Katsock, Jr.'s Motion to Dismiss the Statement of Claim.

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, 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. Respondents Pinnacle and Katsock, Jr. are jointly and severally liable to and shall pay to Claimant the sum of \$ 81,000. No interest on this amount is awarded;
2. The parties shall each bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
3. Any and all relief not specifically addressed herein, including punitive and treble damages, are denied in their entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 500

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. Accordingly, Respondent Pinnacle is a terminated member who participated actively in this matter.

Member surcharge	= \$ 2,500
Pre-hearing process fee	= \$ 600
Hearing process fee	= \$ 4,500

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

November 6 – 8, 2002, adjournment by Respondents = \$ 1,200

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Two (2) Pre-hearing sessions with Panel @ \$ 1,200 = \$ 2,400

Pre-hearing conferences:	April 22, 2002	1 session
	July 15, 2002	1 session

Nine (9) Hearing sessions @ \$ 1,200 = \$ 10,800

Hearing Dates:	December 9, 2002	2 sessions
	December 10, 2002	3 sessions
	February 7, 2003	2 sessions

2 sessions

$$= \$ 13,200$$

1. The Panel has assessed \$ 6,600 of the forum fees to Claimant.
2. The Panel has assessed \$ 6,600 of the forum fees jointly and severally to Respondents Pinnacle and Katsock, Jr.

Fee Summary

1. Claimant, Black, is assessed and shall pay:

Initial Filing Fee	= \$ 500
Forum Fees	= \$ 6,600
Total Fees	= \$ 7,100
Less payments	= \$ 1,700
Balance Due NASD Dispute Resolution	= \$ 5,400

2. Respondent, Pinnacle, is assessed and shall pay:

Member Fees	= \$ 7,600
Total Fees	= \$ 7,600
Less payments	= \$ 00
Balance Due NASD Dispute Resolution	= \$ 7,600

3. Respondents, Pinnacle, Katsock, Jr., and Katsock, Sr., are jointly and severally assessed and shall pay:

Adjudgment Fees	= \$ 1,200
Total Fees	= \$ 1,200
Less payments	= \$ 00
Balance Due NASD Dispute Resolution	= \$ 1,200

4. Respondents, Pinnacle, and Katsock, Jr., are jointly and severally assessed and shall pay:

Forum Fees	= \$ 6,600
Total Fees	= \$ 6,600
Less payments	= \$ 00
Balance Due NASD Dispute Resolution	= \$ 6,600

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

ARBITRATION PANEL

Daniel E. Miller, Esq.	-	Public Arbitrator, Presiding Chairperson
Carol H. Gold, Esq.	-	Public Arbitrator, Panelist
John R. Pepe, Sr.	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Daniel E. Miller, Esq.
Public Arbitrator, Presiding Chairperson



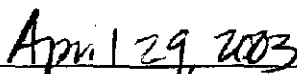
Signature Date

Carol H. Gold, Esq.
Public Arbitrator, Panelist

Signature Date

John R. Pepe, Sr.
Non-Public Arbitrator, Panelist

Signature Date

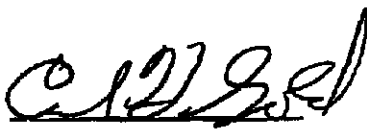


Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Daniel E. Miller, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Carol H. Gold, Esq.
Public Arbitrator, Panelist

4/28/03
Signature Date

John R. Pepe, Sr.
Non-Public Arbitrator, Panelist

Signature Date

April 29, 2003
Date of Service (For NASD Dispute Resolution office use only)