

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimant
James Defrancisco

Case Number: 01-04355

Name of the Respondents
Global Financial Group, Inc., Kevin Scott Miller
Daniel Eric Larson, Darren Jason Silverman;
Kevin David Renert, and Steven Camello Staltare

Hearing Site: Chicago, Illinois

REPRESENTATION OF PARTIES

Claimant James Defrancisco hereinafter referred to as "Claimant": Jacob Pollack Esq., of Securities Receivable Arbitration, Inc., located in Washington, D.C.

Respondent Global Financial Group, Inc. hereinafter referred to as ("Global"): Located in Minneapolis, Minnesota did not appear.

Respondent Kevin Scott Miller hereinafter referred to as ("Miller"): Located in Plymouth, Minnesota, did not appear.

Respondent Daniel Eric Larson hereinafter referred to as ("Larson"): Located in Andover, Minnesota did not appear.

Respondent Darren Jason Silverman hereinafter referred to as ("Silverman"): located in Coral Springs, Florida did not appear.

Respondent Kevin Daniel Renert hereinafter referred to as ("Renert"): Located in Coral Springs, Florida, did not appear.

Respondent Steven Carmello Staltare hereinafter referred to as ("Staltare"): located in Boca Raton, Florida, did not appear.

CASE INFORMATION

Statement of Claim filed: August 5, 2001.

Claimant filed an executed Uniform Submission Agreement: August 6, 2001.

Respondent Global did not file a Statement of Answer or a Uniform Submission Agreement.

Respondent Miller did not file a Statement of Answer or a Uniform Submission Agreement.

Respondent Larson did not file a Statement of Answer or a Uniform Submission Agreement.

Respondent Silverman filed a Statement of Answer on October 17, 2001.

Respondent Silverman did not file a Uniform Submission Agreement.

Respondents Renert and Staltare filed a Joint Statement of Answer on November 1, 2001.

Respondent Renert and Staltare did not file Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action:

1. Churning;
2. Recommending and trading securities which were unsuitable for Claimant;
3. Self-dealing;
4. Unauthorized trading in a margin account;
5. Misrepresentations;
6. Lack of diversification;
7. Breach of fiduciary duty; and,
8. Operating Claimant's account as a discretionary account without authority.

Claimant's causes of action relate to transactions involving common stock.

Unless specifically admitted their Statement of Answer, Respondents Renert and Staltare denied the allegations made in the Statement of Claim and submitted the following affirmative defenses:

1. Claimant did not plead with particularity;
2. Claimant failed to state a cause of action upon which relief may be granted;
3. All losses suffered by Claimant are the result of market conditions;
4. Claimant is barred from recovery by the doctrine of ratification;
5. Respondents made no misrepresentations to Claimant;
6. Claimant contributed to his own damages;
7. Claimant's claims are speculative;
8. Claimant had knowledge of all activities in his accounts;
9. Claimant failed to mitigate his damages; and,
10. Mr. Staltare is not subject to Control Person Liability.

Respondent Silverman denied all the allegations set forth in Claimant's Statement of Claim and did not assert affirmative defenses.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 130,000.00
Punitive Damages	\$ 350,000.00
Interest	\$ 10% from the date of purchase
Attorneys' Fees	\$ Unspecified

Other Costs

Unspecified

Respondents Renert and Staltare requested that the claims filed against them be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On May 6, 2003 Respondent Silverman filed a Notice of Chapter 7 Bankruptcy. Subsequently, Claimant dismissed Respondent Silverman. On June 20, 2003 Claimant dismissed Respondent Larson, Renert, Silverman, and Global Financial Group. Claimant requested that the arbitration against the remaining Respondent Staltare be conducted telephonically.

On July 25, 2003 Claimant proceeded against Respondent Staltare before Arbitrators Lisa I. January and Brian E. Slotky. Arbitrator Kenneth Iverson and Respondent Staltare were not present for the call. Pursuant to Rule 10313, Claimant's counsel waived his right to a Panel of three arbitrators and requested that the hearing go forward despite Arbitrator Iverson's absence.

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators determined that Respondent Staltare has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Steven Staltare did not file with NASD Dispute Resolution, a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and having answered the claim is bound by the determination of the Arbitrators on all issues submitted.

AWARD

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

1. Respondent Steven Carmello Staltare is liable for and shall pay to Claimant James Defrancisco \$130,000.00 in compensatory damages;
2. Respondent Steven Carmello Staltare is liable for and shall pay to Claimant James Defrancisco the sum of \$100,000.00 as punitive damages. In deciding to award punitive damages, the panel considered the pleadings and evidence presented as well as the arguments of counsel, and determined that the authority existed for an award of punitive damages to the Claimant James Defrancisco;
3. All costs not specifically enumerated herein shall be borne by the party who incurred them; and,
4. Any and all relief not specifically addressed herein, is denied.

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 = \$ 300.00

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. Accordingly, the Respondent Global Financial Group was the member firm.

Member surcharge = \$ 1,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$ 2,500.00

Forum Fees and Assessments

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

Three (3) Pre-hearing session with the Panel @ 1,125.00 = \$ 3,375.00

Pre-hearing conference: April 22, 2002 2 sessions

November 1, 2002 1 session

One (1) Hearing sessions @ \$1,125.00 = \$ 1,125.00

Hearing Dates: July 25, 2003 1 sessions

Total Forum Fees = \$ 4,500.00

The Panel has assessed \$ 4,500.00 of the forum fees to Respondent Steven Carmello Staltare.

SEE SUMMARY

Claimant James Defrancisco is solely liable for:

Filing Fees = \$ 300.00

Less Payments = \$ 1,425.00

Balance refunded by NASD Dispute Resolution = \$ 1,125.00

Respondent Global Financial Group Inc., is solely liable for:

Member Fees = \$ 3,100.00

Less Payments 00

Balance due to NASD Dispute Resolution = \$ 3,100.00

Respondent Steven Carmello Staltare is solely liable for:

Forum Fees	= \$ 4,500.00
Less Payments	= \$ 00
Balance Due NASD Dispute Resolution	= \$ 4,500.00

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

Arbitration Panel

Lisa I. January Esq.- Public Arbitrator, Presiding Chairperson
Brian E. Slotky – Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lisa I. January, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Brian E. Slotky
Non-Public Arbitrator

Signature Date

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

Respondent Steven Carmello Staltare is solely liable for:

Forum Fees	= \$ 4,500.00
Less Payments	= \$ 00
Balance Due NASD Dispute Resolution	= \$ 4,500.00

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

Arbitration Panel

Lisa I. January Esq. - Public Arbitrator, Presiding Chairperson
Brian E. Slotky - Non-Public Arbitrator

Concurring Arbitrators' Signatures



Lisa I. January, Esq.
Public Arbitrator, Presiding Chairperson

8/21/03
Signature Date

Brian E. Slotky
Non-Public Arbitrator

Signature Date

8/25/03
Date of Service (For NASD Dispute Resolution office use only)

Respondent Steven Carmello Staltare is solely liable for:

Forum Fees	= \$ 4,500.00
Less Payments	- \$ 00
Balance Due NASD Dispute Resolution	= \$ 4,500.00

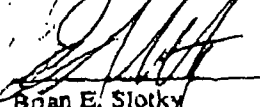
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Arbitration Panel

Lisa I. January Esq. - Public Arbitrator, Presiding Chairperson
Brian E. Slotky - Non-Public Arbitrator

Concurring Arbitrators' Signatures

Lisa I. January, Esq.
Public Arbitrator, Presiding Chairperson


Brian E. Slotky
Non-Public Arbitrator

Signature Date

8/22/03

Signature Date

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