

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Katherine Cabrera (Claimant) v. James Pardy, Milestone Group Management LLC, Paul Cassella, Vincent Mitchell, Milestone Holdings LLC, and J.B. Oxford & Company (Respondents)

Case Number: 02-05018

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant Katherine Cabrera hereinafter referred to as "Claimant": Richard J. Blumberg, Esq., McLaughlin & Stern, LLP, New York, NY.

Respondents James Pardy ("Pardy"), Milestone Group Management LLC ("Milestone Group Manangement"), Paul Cassella ("Cassella"), Vincent Mitchell ("Mitchell"), and Milestone Holdings LLC ("Milestone Holdings"): M. David Sayid, Esq., Sayid & Associates, LLP, New York, NY.

Respondent J.B. Oxford & Company ("J.B. Oxford"): Jeffrey S. Kob, Esq., Miller Milove & Kob, San Diego, CA.

CASE INFORMATION

Statement of Claim filed on or about: August 22, 2002.

Claimant signed the Uniform Submission Agreement: August 16, 2002.

Statement of Answer filed by Respondent Pardy, Milestone Group Management, Cassella, Mitchell, and Milestone Holdings on or about: November 5, 2002.

Pardy signed the Uniform Submission Agreement: November 21, 2002.

Milestone Group Management signed the Uniform Submission Agreement: November 21, 2002.

Cassella signed the Uniform Submission Agreement: November 21, 2002.

Mitchell signed the Uniform Submission Agreement: November 27, 2002.

Milestone Holdings signed the Uniform Submission Agreement: November 21, 2002.

Statement of Answer filed by Respondent J.B. Oxford on or about: November 11, 2002.

J.B. Oxford did not sign a Uniform Submission Agreement.

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CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; suitability; churning; violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5; unauthorized trading; common law fraud; omission of fact; breach of contract; and failure to supervise. The causes of action relate to shares in technology stocks and options.

Unless specifically admitted in their Answer, Respondents Pardy, Milestone Group Management, Cassella, Mitchell, and Milestone Holdings denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, J.B. Oxford denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$375,584.61 representing the losses in her account which includes her tax liability of approximately \$17,000.00 as a result of the liquidation of certain annuities, together with punitive damages in the amount of \$1,000,000.00 and the costs and expenses of this arbitration.

Respondents Pardy, Milestone Group Management, Cassella, Mitchell, and Milestone Holdings requested that the Statement of Claim be denied in its entirety, and that they should be awarded costs, fees, expenses, and reasonable attorneys' fees in an amount not less than \$50,000.00 incurred in defending this baseless claim, and the Panel of Arbitrators should grant to Respondents such other and further relief as justice and equity require.

Respondent J.B. Oxford requested that all claims against it be dismissed; Claimant shall take nothing as to it by Claimant's Statement of Claim; and such other relief as the Arbitrators deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent J.B. Oxford did not file with NASD Dispute Resolution, Inc. a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and, having answered the claim is bound by the determination of the Panel on all issues submitted.

The claims of Claimant against J.B. Oxford were withdrawn.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

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AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of all parties for entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Respondents Pardy and Milestone Group Management are jointly and severally liable for and shall pay to Claimant compensatory damages in the sum of one hundred seventy five thousand dollars (\$175,000.00) as follows: (i) upon execution of the Stipulation by the Claimant, seventy five thousand dollars (\$75,000.00) and (ii) ten (10) equal monthly installments of ten thousand dollars (\$10,000.00) commencing the 15th day of October 2003 and ending with the payment due on the 15th of July, 2004. Payment shall be made no later than the 25th day of each month. In the event of a default of any installment payment when due, then the entire balance remaining shall automatically become due and payable.
2. The claims of Claimant against Cassella, Mitchell, and Milestone Holdings are hereby dismissed in their entirety.
3. Each party is liable for its share of all fees and assessments.
4. Any and all relief not specifically addressed herein, including punitive damages, is 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	= \$ 500.00
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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 persons at the time of the events giving rise to the dispute. In this matter, Milestone Group Management, LLC is a party.

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

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Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. In this matter, J.B. Oxford & Company is a party.

Member Surcharge	= \$ 2,800.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,000.00
Total Member Fees	= \$ 8,550.00

Adjournment Fees

The following adjournment fees are assessed:

September 3, 4, 5, 8, and 9, 2003 adjournment requested by Pardy, Milestone Group Management, Cassella, Mitchell, and Milestone Holdings = Waived

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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 1,200.00
Pre-hearing conferences: March 11, 2003 1 session	
May 20, 2003 1 session	
Two (2) Hearing sessions @ \$1,200.00/session	= \$ 2,400.00
Hearing: July 22, 2003 2 sessions	
Total Forum Fees	= \$ 3,600.00

1. The Panel has assessed \$1,800.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,800.00 of the forum fees jointly and severally against Respondents Pardy and Milestone Group Management.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Claimant requested copies of cassette tapes	= \$ 60.00
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Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$2,400.00
<u>Administrative Costs</u>	= \$ 60.00
Total Fees	= \$2,960.00
<u>Less payments</u>	= \$1,700.00
Balance Due NASD Dispute Resolution	= \$1,260.00

2. Respondent J.B. Oxford is solely liable for:

<u>Member Fees</u>	= \$8,550.00
Total Fees	= \$8,550.00
<u>Less payments</u>	= \$8,550.00
Balance Due NASD Dispute Resolution	= \$.00

3. Respondent Milestone Group Management is solely liable for:

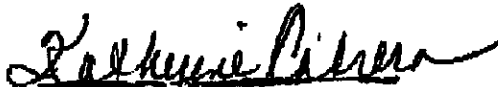
<u>Member Fees</u>	= \$8,550.00
Total Fees	= \$8,550.00
<u>Less payments</u>	= \$8,550.00
Balance Due NASD Dispute Resolution, Inc.	= \$.00

4. Respondents Milestone Group Management and Pardy are jointly and severally liable for:

<u>Forum Fees</u>	= \$2,400.00
Total Fees	= \$2,400.00
<u>Less payments</u>	= \$.00
Balance Due NASD Dispute Resolution	= \$2,400.00

All balances are due and payable to NASD Dispute Resolution

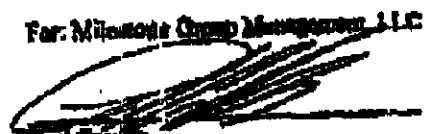
Parties' Signatures



Katherine Cairns, Claimant


Paul Cusack, Respondent

Vincent Mitchell, Respondent

Joyce Pardy, Respondent

For: Minnesota Group Management, LLC

Paul Cusack
Managing Director
Title

Minnesota Holdings, LLC

Paul Cusack
Managing Director
Title

ARBITRATION PANEL

Deborah Sherman, Esq.	-	Public Arbitrator, Presiding Chair
Hugo G. Ortega, Esq.	-	Public Arbitrator
Barry R. Lax, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Deborah Sherman, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Hugo G. Ortega, Esq.
Public Arbitrator

Signature Date

Barry R. Lax, Esq.
Non-Public Arbitrator

Signature Date

November 12, 2003
Date of Service (For NASD office use only)

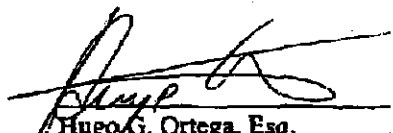
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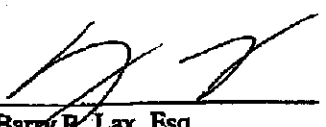
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