

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

The Hofmann Family Trust, Claimant v. First Global Securities, Inc. and Noble B. Trenham,
Respondents

Case Number: 02-05276

Hearing Site: San Diego, California

Nature of the Dispute: Customer vs. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimant:

Gregory S. Larson, Esq.
San Diego Law Firm
Lemon Grove, California

For Respondents:

Lee D. Lubin, Esq.
Leach, Lubin, & Associates
Calabasas, California

CASE INFORMATION

Statement of Claim filed: September 4, 2002

Claimant's Uniform Submission Agreement signed: August 28, 2002

Joint Statement of Answer filed by Respondents: December 13, 2002

Respondent First Global Securities, Inc.'s Uniform Submission Agreement signed:
December 12, 2002

Respondent Noble B. Trenham's Uniform Submission Agreement signed: April 15, 2003

CASE SUMMARY

Claimant alleged negligence, failure to supervise, breach of fiduciary duty, misrepresentations, unauthorized trading, suitability, and churning. The dispute involved margin trading and among other unspecified securities, the purchase and/or sale of Acacia Research stock.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$500,000.00, punitive damages, interest, and attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, attorney's fees, and arbitration costs.

OTHER ISSUES CONSIDERED AND DECIDED

On November 14, 2002, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On April 15, 2003, Respondents and Respondents' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100, the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

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 First Global Securities, Inc. and Noble B. Trenham are jointly and severally liable to and shall pay Claimant \$69,600.00 in compensatory damages.
- 2) Respondent First Global Securities, Inc. is liable to and shall pay Claimant \$48,000.00 in punitive damages pursuant to Rule 501(A) promulgated pursuant to the Securities Act of 1933 "Accredited Investor."
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) 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	= \$ 300.00
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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 First Global Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Adjournment Fees

The following adjournment fees are assessed:

July 8-10, 2003, adjournment requested by the Parties	= \$ 1,125.00
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November 17-19, 2003, adjournment requested by the Parties	= \$ 1,500.00
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1. The Parties stipulated that Respondents would pay for the July 2003 adjournment. Accordingly, Respondents are jointly and severally assessed the adjournment fee in the amount of \$1,125.00.
2. The Panel assessed Claimant \$750.00 of the adjournment fees for the November 2003 adjournment.
3. The Panel assessed Respondents jointly and severally \$750.00 of the adjournment fees for the November 2003 adjournment.

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 Panel. The following fees are assessed:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session = \$ 2,250.00
Pre-hearing conferences:

April 21, 2003 1 session

March 5, 2004 1 session

Four (4) Hearing sessions @ \$1,125.00/session = \$ 4,500.00

Hearings: June 21, 2004 2 sessions

June 22, 2004 2 sessions

Total Forum Fees = \$ 6,750.00

1. The Panel assessed \$1,687.50 of the forum fees to Claimant.
2. The Panel assessed \$5,062.50 of the forum fees jointly and severally to Respondents.

Fee Summary

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

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 750.00
Forum Fees	= \$ 1,687.50
Total Fees	= \$ 2,737.50
Less payments	= \$(1,575.00)
Balance Due NASD Dispute Resolution	= \$ 1,162.50

2. Respondent First Global Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
Less payments	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents First Global Securities, Inc. and Noble B. Trenham are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 5,062.50
Adjournment Fee	= \$ 1,875.00
Total Fees	= \$ 6,937.50
Less payments by Noble B. Trenham	= \$(562.50)
Balance Due NASD Dispute Resolution	= \$ 6,375.00

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.

NASD Dispute Resolution
Arbitration No. 02-05276
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ARBITRATION PANEL

Glen W. Hanne	-	Public Arbitrator, Presiding Chair
Kenneth E. Alexander	-	Public Arbitrator
Nils Stephen Sandberg	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Glen W. Hanne
Chair, Public Arbitrator

6-2004
Signature Date

Kenneth E. Alexander
Public Arbitrator

Signature Date

Nils Stephen Sandberg
Non-Public Arbitrator

Signature Date

7/01/04
Date of Service

ARBITRATION PANEL

Glen W. Harne	-	Public Arbitrator, Presiding Chair
Kenneth E. Alexander	-	Public Arbitrator
Nils Stephen Sandberg	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Glen W. Harne
Chair, Public Arbitrator

Signature Date

Kenneth E. Alexander
Kenneth E. Alexander
Public Arbitrator

June 29, 2004
Signature Date

Nils Stephen Sandberg
Non-Public Arbitrator

Signature Date

7/01/04
Date of Service

ARBITRATION PANEL

Glen W. Hanne	-	Public Arbitrator, Presiding Chair
Kenneth E. Alexander	-	Public Arbitrator
Nils Stephen Sandberg	-	Non-Public Arbitrator

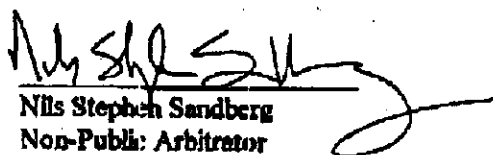
Concurring Arbitrators' Signatures

Glen W. Hanne
Chair, Public Arbitrator

Signature Date

Kenneth E. Alexander
Public Arbitrator

Signature Date



Nils Stephen Sandberg
Non-Public Arbitrator

6/30/04

Signature Date

7/10/04

Date of Service