

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Case Number: 03-05830

Wilburn C. and Cynthia G. Slagle

Names of the Respondents

Hearing Site: Charlotte, North Carolina

Jonathan Roberts Financial Group, Inc.

John David Turner

John R. Carlson

Tilchen Asset Management

Nature of the Dispute: Customers vs. Terminated Member, Non-Member, and Associated Person.

REPRESENTATION OF PARTIES

Claimants, Wilburn C. and Cynthia G. Slagle, hereinafter collectively referred to as "Claimants", appeared pro se and through their non-attorney representative Frank Black.

Respondents, Jonathan Roberts Financial Group, Inc. ("JRFG") and John R. Carlson ("Carlson"), were represented by Clifford J. Hunt, Esq., Kiefner, Hunt & Fitzpatrick, P.A., St. Petersburg, Florida.

Respondent, Tilchen Asset Management ("Tilchen"), was represented by Clifford J. Hunt, Esq., Kiefner, Hunt & Fitzpatrick, P.A., St. Petersburg, Florida and declined to submit to arbitration.

Respondent, John David Turner ("Turner"), appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about August 11, 2003.

Claimants signed the Uniform Submission Agreement on August 7, 2003.

Statement of Answer and Motion to Dismiss filed by Respondent JRFG on October 24, 2003.

Respondent JRFG did not file a Uniform Submission Agreement with NASD Dispute Resolution.

Claimants' Response to Respondent JRFG's Motion to Dismiss filed on November 10, 2003.

Statement of Answer filed by Respondent Turner on November 26, 2003.

Respondent Turner signed the Uniform Submission Agreement on February 4, 2004.

Claimants' Reply to Respondent Turner's Statement of Answer filed on December 15, 2003.

Statement of Answer and Motion to Dismiss filed by Respondent Carlson on July 16, 2004.
Respondent Carlson did not file a Uniform Submission Agreement with NASD Dispute Resolution.

Claimants filed a Response to the Motion to Dismiss on July 28, 2004.

Respondent Carlson filed a Supplement to the Motion to Dismiss on November 15, 2004.

Claimants' Motion to Amend the Statement of Claim filed on December 20, 2003.

Claimants' Second Motion to Amend the Statement of Claim filed on March 17, 2004.

Respondent JRFG's Opposition to Claimants' Motion to Amend Statement of Claim filed on April 8, 2004.

Claimants' Motion for Summary Judgment filed on October 25, 2004.

Respondent Carlson filed a second Motion to Dismiss on November 22, 2004.

Claimants filed a Response to the second Motion to Dismiss on December 1, 2004.

CASE SUMMARY

Claimants asserted the following causes of action, among others: failure to supervise, misrepresentation, omission of fact, unsuitability, breach of fiduciary duty, negligence, deceptive and manipulative sales practices, violation of federal securities laws, violation of Florida Securities and Protection Act, and violation of South Carolina Securities Law. The causes of action relate to the purchase of various securities.

Unless specifically admitted in his Answer, Respondent Turner denied the allegations made in the Statement of Claim and asserted the following defenses, among others: lack of proximate cause, assumption of risk, failure to state a claim upon which relief may be granted, estoppel, ratification, contributory negligence, failure to mitigate, laches, and Respondent acted in good faith.

Unless specifically admitted in its Answer, Respondent JRFG denied the allegations made in the Statement of Claim and asserted the following defenses, among others: lack of proximate cause, assumption of risk, failure to state a claim upon which relief may be granted, estoppel, ratification, lack of privity of contract between Respondent and Claimant, contributory negligence, failure to mitigate, laches, and Respondent acted in good faith.

Unless specifically admitted in his Answer, Respondent Carlson denied the allegations made in the Statement of Claim and asserted the following defenses, among others: lack of proximate cause, assumption of risk, lack of privity of contract between Respondent and Claimant, failure to state a claim upon which relief may be granted, estoppel, ratification, contributory negligence, failure to mitigate, laches, and Respondent acted in good faith.

RELIEF REQUESTED

Claimants in their Statement of Claim requested:

Compensatory Damages	\$243,000.00
Punitive Damages	\$250,000.00
Interest	\$ 97,200.00
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondent Turner in his Statement of Answer requested that the Panel dismiss the claims against him, enter an award in his favor, including a finding of attorneys' fees and costs, and such other and further relief as the Panel deems necessary and proper.

Respondent JRFG in its Statement of Answer requested that the Panel dismiss the claims against it, enter an award in its favor, including a finding of attorneys' fees and costs, and such other and further relief as the Panel deems necessary and proper.

Respondent Carlson in his Statement of Answer requested that the Panel dismiss the claims against him, enter an award in his favor, including a finding of attorneys' fees and costs, and such other and further relief as the Panel deems necessary and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

By Order dated February 18, 2004, the Panel granted Claimant's Motion to Amend the Statement of Claim and denied Respondent JRFG's Motion to Dismiss.

By Order dated April 27, 2004, the Panel granted Claimants' Second Motion to Amend the Statement of Claimant to add Respondent Carlson.

By Order dated December 15, 2004, the Panel denied Respondent Carlson's Motions to Dismiss and Claimants' Motion for Summary Judgment.

At the hearing, Respondent Carlson renewed his Motion to Dismiss. The Panel deferred ruling on the Motion until the conclusion of the hearing. The Panel hereby grants Respondent Carlson's Motion to Dismiss pursuant to Rule 10304 of the Code and dismisses John R. Carlson, individually, from this arbitration with prejudice for all acts prior to March 17, 1998.

Respondent JRFG renewed its Motion to Dismiss during its closing argument. The Panel denied this motion.

The parties have 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. Respondent JRFG is liable for the actions of its predecessor Southern Capital Securities, Inc. pursuant to Bernard v. Kee Manufacturing Company, Inc. 409 So. 2nd 1047 (Fla. 1982).
2. Respondent JRFG and Turner are jointly and severally liable to and shall pay to Claimants compensatory damages in the amount of \$142,228.00, plus simple interest at a rate of 5% per annum from 90 days from the date this Award is served until the date of payment in full;
3. All claims against Respondent Carlson individually are dismissed in their entirety;
4. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
5. Any and all relief not specifically addressed herein, including punitive damages, is denied in its 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	= \$ 300.00
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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 firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Respondent JRFG is a party.

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

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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: April 26, 2004 1 session

Four (4) Pre-hearing sessions with Panel @ \$1,125.00 = \$ 4,500.00
Pre-hearing conferences: February 18, 2004 1 session
August 2, 2004 1 session
November 22, 2004 1 session
December 9, 2004 1 session

Five (5) Hearing sessions @ \$1,125.00 = \$ 5,625.00
Hearing Dates: February 8, 2005 2 sessions
February 9, 2005 2 sessions
February 10, 2005 1 session

Total Forum Fees = \$10,575.00

1. The Panel has assessed \$5,287.50 of the forum fees jointly and severally to Claimants.
2. The Panel has assessed \$5,287.50 of the forum fees jointly and severally to Respondent JRFG and Turner.

FEE SUMMARY

1. Claimants are jointly and severally assessed and shall pay the following fees:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 5,287.50
Total Fees	= \$ 5,587.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 4,162.50

2. Respondent JRFG is assessed and shall pay the following fees:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 3,500.00

3. Respondents JRFG and Turner are jointly and severally assessed and shall pay the following fees:

Forum Fees	= \$ 5,287.50
Total Fees	= \$ 5,287.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 5,287.50

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

ARBITRATION PANEL

Donald G. Kennedy
Philip H. DeTurk
James E. Brucki, Jr.

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Donald G. Kennedy

Donald G. Kennedy

Public Arbitrator, Presiding Chairperson

Feb. 17, 2005

Signature Date

Philip H. DeTurk

Public Arbitrator, Panelist

Signature Date

James E. Brucki, Jr.

Non-Public Arbitrator, Panelist

Signature Date

February 18, 2005

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

Concurring Arbitrators' Signatures

Donald G. Kennedy
Public Arbitrator, Presiding Chairperson

Signature Date


Philip H. DeTurk
Public Arbitrator, Panelist

2/18/05
Signature Date

James E. Brucki, Jr.
Non-Public Arbitrator, Panelist

Signature Date

February 18 2005
Date of Service (For NASD Dispute Resolution office use only)

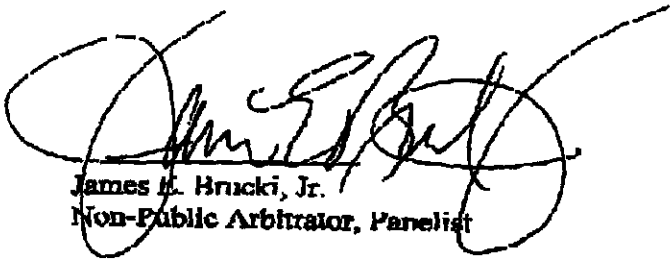
Concurring Arbitrators' Signatures

Donald G. Kennedy
Public Arbitrator, Presiding Chairperson

Signature Date

Philip H. DeTurk
Public Arbitrator, Panelist

Signature Date


James H. Brucki, Jr.
Non-Public Arbitrator, Panelist

2/15/2005
Signature Date

February 18, 2005
Date of Service (For NASD Dispute Resolution office use only)