

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Hedfund Solutions, a division of APB Financial Group, Inc. (Claimant) v. Todd Gold
(Respondent)

Case Number: 04-01997

Hearing Site: New York, New York

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

Claimant Hedfund Solutions, a division of APB Financial Group, Inc. hereinafter referred to as "Claimant": Mitchell Taras, Esq., and Douglas R. Hirsch, Esq., Sadis & Goldberg, LLC, New York, NY.

Respondent Todd Gold hereinafter referred to as "Respondent": Kenneth E. Citron, Esq., Snow Becker Krauss, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 23, 2004.

Response to Counterclaim and Motion to Dismiss Counterclaim filed by Claimant on or about: June 28, 2004.

Claimant signed the Uniform Submission Agreement: March 17, 2004.

Statement of Answer, Affirmative Defenses, and Counterclaims filed by Respondents on or about: May 27, 2004.

Opposition to Claimant's Motion to Dismiss Counterclaim filed by Respondent on or about: July 29, 2004.

Respondent signed the Uniform Submission Agreement: May 27, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: breach of promissory note and breach of employment agreement. Unless specifically admitted in its Response to the Counterclaim and Motion to Dismiss Counterclaim, Claimant denied the allegations made in the Counterclaim.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In the Counterclaim, Respondent asserted the following cause of action: defamation.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$900,000.00 for lost profits and reputation; compensatory damages in the amount of \$85,676.20 for the amount due on the promissory note; interest; costs; and attorneys' fees. In its Response to the Counterclaim and the Motion to Dismiss the Counterclaim, Claimant requested that the Counterclaim be dismissed with prejudice; compensatory damages in the amount of \$85,676.20 for the amount due on the promissory note; interest; costs; and attorneys' fees.

Respondent requested dismissal of the Statement of Claim in its entirety; on the Counterclaim, compensatory damages in the amount of \$1,000,000.00; an order that Claimant amend the Form U-5 as follows: (1) under the entry entitled "Reason for Termination" deleting the words "Permitted to Resign" and inserting the words "Voluntarily Resigned"; (2) deleting the explanation contained under the entry entitled "Reason for Termination"; (3) Changing the response to question 7B from "YES" to "NO"; costs; attorneys' fees; and such other and further relief as the Panel deems appropriate under the circumstances.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing on April 8, 2005, the Claimant dropped its claim for lost profits and reputation.

On or about May 16, 2005, Respondent submitted a Motion to Amend the Answer, Defenses and Counterclaim. The Panel accepted the Motion.

On or about September 9, 2004, Claimant submitted a Motion to Dismiss the Respondent's Counterclaim. The Panel denied the 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, and 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 Todd Gold is liable for and shall pay to the Claimant compensatory damages in the amount of \$27,429.75 (\$61,017.35 with credit of \$33,587.60 for unpaid commissions), plus interest at a rate of 7% from September 15, 2003 to May 15, 2005 (3% over 4% prime note at date of note). The Panel found the two theories advanced respectively by the Claimant and the Respondent as to the nature of the trading activity, which resulted in the loss at issue both to be unsupported by the evidence. We find the promissory note valid but the amount claimed

erroneous, and have adjusted our award accordingly.

2. Respondent's Counterclaim for compensatory damages is dismissed in its entirety.
3. The Panel recommends that Hedgefund Solutions or its Parent APB Financial Group shall amend the Form U-5 filed with NASD Central Registration Depository ("CRD") following Mr. Gold's termination of employment as follows:
 - a.) That the reason for termination as reported on Respondent Todd Gold's Form U-5 filed with NASD CRD by APB Financial Group, Inc. (i.e., "permitted to resign") be expunged and replaced with "voluntary."
 - b.) That the accompanying termination comment filed as part of the Form U-5 submitted to CRD on Respondent Todd Gold's behalf by APB Financial Group, Inc. (i.e., "Mr. Gold admitted placing trades for client that said he did not authorize, resulting in a loss of 119,263. Mr. Gold stated trades were errors but was unable to explain how such errors occurred.") also be expunged. Replacement language for the termination comment is not required, as Form U-5 does not require such comment when "voluntary" is the reason for termination.
 - c.) That the "yes" answer to Question 7B on the Form U-5 filed on Respondent's behalf by APB Financial Group, Inc. be expunged and replaced with "no" and that the accompanying Form U-5 Internal Review Disclosure Reporting Page also be expunged in its entirety.
 - d.) That all references to Respondent Gold's termination from APB Financial Group, Inc. reported via Form U-4 filings, including any "yes" answers to the Form U-4 termination question (e.g., 14J(1)) and all corresponding Form U-4 Termination Disclosure Reporting Pages, be expunged.

The expungement recommendations are made with the understanding that Respondent Gold must obtain confirmation of the expungement recommendations contained in this award from a court of competent jurisdiction before the CRD will execute the expungement directives, pursuant to NASD Notice to Members 99-09 and 99-54.

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	= \$1,250.00
Counterclaim filing fee	= \$ 375.00

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, Hedgefund Solutions, a Division of APB Financial Group is a party and/or the member firm that Respondent was associated with at the time of the dispute.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

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:

Two (2) Pre-hearing sessions with Panel @ \$1,200.00 = \$ 2,400.00

Pre-hearing conferences: August 25, 2004 1 session
September 9, 2004 1 session

Eight (8) Hearing sessions @ \$1,200.00 = \$ 9,600.00

Hearing Dates: April 7, 2005 2 sessions
April 8, 2005 2 sessions
May 18, 2005 2 sessions
May 19, 2005 2 sessions

Total Forum Fees = \$12,000.00

1. The Panel has assessed \$6,000.00 of the forum fees against Claimant.
2. The Panel has assessed \$6,000.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 1,250.00
Member Fees	= \$ 7,000.00
Forum Fees	= \$ 6,000.00
Total Fees	= \$14,250.00
Less payments	= \$ 9,450.00
Balance Due NASD Dispute Resolution	= \$ 4,800.00

2. Respondent is solely liable for:

Counterclaim Filing Fee	= \$ 375.00
Forum Fees	= \$ 6,000.00
Total Fees	= \$ 6,375.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 4,800.00

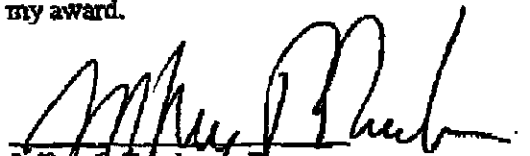
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Jeffrey F. Friedman, Esq.	-	Non-Public Arbitrator, Presiding Chairperson
Fred Shinagel	-	Non-Public Arbitrator
Michael Ross	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Jeffrey F. Friedman, Esq.
Non-Public Arbitrator, Presiding Chairperson

6/27/05
Signature Date

Fred Shinagel
Non-Public Arbitrator

Signature Date

Michael Ross
Non-Public Arbitrator

Signature Date

October 17, 2005
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

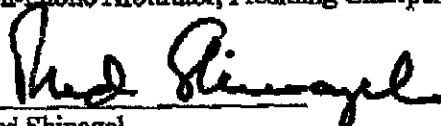
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Michael Ross	-	Non-Public Arbitrator

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Non-Public Arbitrator, Presiding Chairperson

Signature Date



Fred Shinagel
Non-Public Arbitrator

Signature Date

Michael Ross
Non-Public Arbitrator

Signature Date

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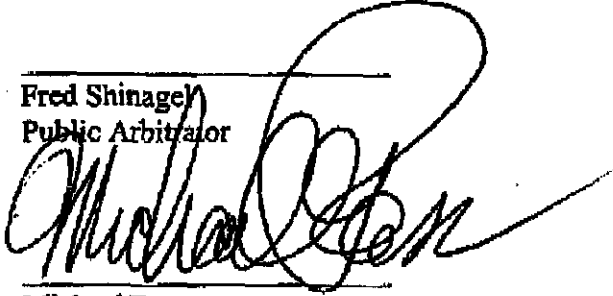
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Jeffrey F. Friedman, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Fred Shinagel
Public Arbitrator

Signature Date



Michael Ross
Non-Public Arbitrator

6-28-05
Signature Date

October 17, 2005
Date of Service (For NASD Dispute Resolution use only)