

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Joseph Toboni, Mary Toboni, and JT Builders, Claimants v. Milestone Financial Services, Inc. and Robert Anthony Cassino, Respondents

Milestone Financial Services, Inc. and Robert Anthony Cassino, Counter-Claimants v. Joseph Toboni, Mary Toboni, and JT Builders, Counter-Respondents

Case Number: 04-07926

Hearing Site: San Francisco, California

Nature of the Dispute: Customers v. Member and Associated Person
Member and Associated Person v. Customers

REPRESENTATION OF PARTIES

For Claimants and Counter-Respondents:

David E. Robbins, Esq.
Wayne M. Josel, Esq.
Kaufmann, Feiner, Yamin, Gildin
& Robbins LLP
New York, New York

For Respondents and Counter-Claimants:

Ira Lee Sorkin, Esq.
Dickstein Shapiro Morin &
Oshinsky LLP
New York, New York

Barry R. Lax, Esq.
The Lax Law Firm
New York, New York

CASE INFORMATION

Statement of Claim filed: November 17, 2004

Claimants' Uniform Submission Agreements signed: November 4, 2004

Joint Statement of Answer and Counterclaim filed by Respondents: February 8, 2005

Respondent Robert Anthony Cassino's Uniform Submission Agreement signed:
February 3, 2005

Respondent Milestone Financial Services, Inc.'s Uniform Submission Agreement
signed: February 4, 2005

Claimants' Reply to Respondents' Counterclaim filed: February 14, 2005

CASE SUMMARY

Claimants alleged breach of fiduciary duty, churning, unauthorized trades, unsuitability, failure to disclose, negligence, misrepresentation, negligent supervision, and violations of federal securities laws. Claimants' allegations involved various stocks traded on margin and involved investments in various securities, including but not limited to, investments in Black Box Corp., EMC Corp. and JDS Uniphase Corp.

Respondents denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses. In their Counterclaim, Respondents alleged that Claimants owe a deficit balance for losses in the Toboni Construction account.

Claimants denied the allegations of wrongdoing set forth in Respondents' Counterclaim.

RELIEF REQUESTED

Claimants requested \$3,107,770.00 in compensatory damages, \$6,215,540.00 in punitive damages, interest, costs and reasonable attorney's fees and expert witness fees, NASD arbitration related fees and such other and further relief as the Panel may deem just and proper.

Respondents requested dismissal of Claimants' Statement of Claim in its entirety. Respondents, in their Counterclaim, also requested \$196,542.00 in compensatory damages, interest, costs, reasonable attorney's fees and such other and further relief as the Panel may deem just and proper.

Claimants requested dismissal of Respondents' Counterclaim in its entirety, and costs and expenses, including reasonable attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On December 24, 2004, Claimants and Claimants' 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 March 3, 2005, Respondents' counsel signed a Waiver Agreement on Respondents' behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On November 23, 2005, Respondents filed a Third-Party Claim against Louis Donzelli, a former employee at Respondent Milestone Financial Services, Inc., for indemnity should Respondents be found liable to Claimants. On December 5, 2005, Claimants opposed the acceptance of the Third-Party Claim into this matter. On December 8, 2005, the Panel conducted a conference call with the parties to hear oral argument. After due deliberation, the Panel decided not to allow Respondents' Third-Party Claim into this matter.

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, evidence presented at the hearing, and the post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Milestone Financial Services, Inc. and Robert Anthony Cassino are jointly and severally liable to and shall pay Claimants, the sum of \$1,684,988.00 in compensatory damages.
2. Respondents Milestone Financial Services, Inc. and Robert Anthony Cassino are jointly and severally liable to and shall pay Claimants, interest at the rate of 7% per annum on \$1,684,988.00 from November 30, 2002 until the date payment of this Award is made in full.
3. Respondents Milestone Financial Services, Inc. and Robert Anthony Cassino are jointly and severally liable to and shall pay Claimants, the sum of \$8,731.35 as reimbursement for Claimants' expert fees.
4. Respondents Milestone Financial Services, Inc. and Robert Anthony Cassino are jointly and severally liable to and shall pay Claimants, the sum of \$600.00 as reimbursement for Claimants' filing fee.
5. Claimants' claims for punitive damages are denied.
6. All claims with respect to Respondents' Counterclaim are denied.

7. Except as mentioned in paragraphs 3 and 4 above, each party shall bear all other respective costs and attorney's fees.

8. All other relief not expressly granted is denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure, 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	= \$ 600.00
Respondents' Counterclaim filing fee	= \$ 1,000.00

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 Milestone Financial Services, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 3,350.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,500.00
Total Member Fees	= \$ 9,600.00

Adjournment Fees

The following adjournment fees are assessed:

Adjournment of the January 2-9, 2006 hearings requested by Respondents	= \$1,200.00
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The Panel assessed the \$1,200.00 adjournment fee jointly and severally to Respondents.

Forum Fees and Assessments

The Panel assessed forum fees for each session conducted or each decision rendered on a discovery-related motion decided on the papers. 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:

(2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$ 2,400.00
Pre-hearing conferences: April 25, 2005 1 session

December 8, 2005 1 session

(16) Hearing sessions @ \$1,200.00/session = \$19,200.00

Hearings:

March 6, 2006	2 sessions
March 7, 2006	2 sessions
March 8, 2006	2 sessions
March 9, 2006	2 sessions
March 10, 2006	1 session
August 29, 2006	2 sessions
August 30, 2006	2 sessions
August 31, 2006	1 session
September 1, 2006	2 sessions

Total Forum Fees = **\$21,600.00**

The Panel assessed the \$21,600.00 in forum fees jointly and severally to Respondents Milestone Financial Services, Inc. and Robert Anthony Cassino.

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 600.00
<u>Less payments</u>	<u>= \$(1,800.00)</u>
Refund Due Claimants	= \$(1,200.00)

2. Respondent Milestone Financial Services, Inc. is charged with the following fees and costs:

Member Fees	= \$ 9,600.00
<u>Less payments</u>	<u>= \$(9,600.00)</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents Milestone Financial Services, Inc. and Robert Anthony Cassino are charged jointly and severally with the following fees and costs:

Counterclaim Filing Fee	= \$ 1,000.00
Adjournment Fee	= \$ 1,200.00
Forum Fees	= \$21,600.00
<u>Total Fees</u>	<u>= \$23,800.00</u>
<u>Less payments by Milestone Financial Services, Inc.</u>	<u>= \$(3,325.00)</u>
Balance Due NASD Dispute Resolution	= \$20,475.00

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.

ARBITRATION PANEL

George King, Esq.	-	Public Arbitrator, Presiding Chair
Fred D. Butler, J.D.	-	Public Arbitrator
Gregory M. Scanlon, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



George King, Esq.
Chair, Public Arbitrator

Sept 18, 2006
Signature Date

Fred D. Butler, J.D.
Public Arbitrator

Signature Date

Gregory M. Scanlon, Esq.
Non-Public Arbitrator

Signature Date

9/20/06
Date of Service
(NASD Use Only)

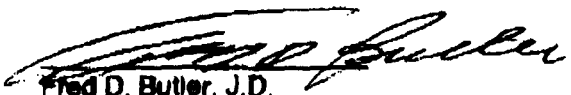
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Gregory M. Scanlon, Esq.	-	Non-Public Arbitrator

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George King, Esq.
Chair, Public Arbitrator

Signature Date


Fred D. Butler, J.D.
Public Arbitrator

9/18/06
Signature Date

Gregory M. Scanlon, Esq.
Non-Public Arbitrator

Signature Date

9/20/06
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Signature Date

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Public Arbitrator

Signature Date



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Non-Public Arbitrator

9/20/2006
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