

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

John S. Surinchak and Linda L. Surinchak, Claimants v. Gilford Securities, Inc.; Cantella & Co., Inc.; Shane Redmond; Van Raphael Neely; and Porter Investment Group LLC, Respondents

Case Number: 04-08830

Hearing Site: San Francisco, California

Nature of the Dispute: Customers v. Members, Associated Persons, and Non-Member

REPRESENTATION OF PARTIES

For Claimants:

Michael Harrington, Esq.
Law Offices of James Jay Seltzer
Emeryville, California

For Respondents Gilford Securities, Inc. ("Gilford");
and Shane Redmond ("Redmond"), while employed
at Gilford:

Michael Kalmus, Esq.
Attorney at Law
New York, New York

For Respondents Cantella & Co., Inc. ("Cantella");
Van Raphael Neely ("Neely"); and
Porter Investment Group LLC ("Porter"):

Sheldon M. Jaffe, Esq.
Law Offices of Sheldon M. Jaffe
Los Angeles, California

For Respondent Shane Redmond ("Redmond"),
while employed at Cantella:

Christopher Cooke, Esq.
Cooke Kobrick & Wu LLP
San Mateo, California

CASE INFORMATION

Statement of Claim filed: December 30, 2004

Claimants' Joint Uniform Submission Agreement signed: December 22, 2004

Joint Statement of Answer filed by Respondents Gilford and Redmond, while employed at Gilford: March 29, 2005

Joint Statement of Answer filed by Respondents Cantella and Neely, including a Special Appearance and Response by Respondent Porter: March 21, 2005

Amended Statement of Answer filed by Respondents Cantella and Neely, including a Special Appearance and Response by Respondent Porter: March 30, 2005

Statement of Answer filed by Respondent Redmond, while employed at Cantella: March 31, 2005

Respondent Gilford's Uniform Submission Agreement signed: March 28, 2005

Respondent Cantella's Uniform Submission Agreement signed: March 3, 2005

Respondent Neely's Uniform Submission Agreement signed: March 3, 2005

Respondent Redmond's Uniform Submission Agreement signed: March 30, 2005

CASE SUMMARY

Claimants alleged violation of NASD rules of conduct, professional negligence, breach of fiduciary duties, negligent misrepresentation, breach of contract, unfair business practices, violation of the consumer legal remedies act, and violation of the implied covenant of good faith and fair dealing. Claimants' allegations involved various bonds, including, but not limited to, non-rated high yield bonds.

Respondents Gilford and Redmond, while employed at Gilford, denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses.

Respondent Cantella and Neely denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses.

Respondent Porter is not a member of NASD and declined to submit to NASD jurisdiction.

Respondent Redmond, while employed at Cantella, denied the allegations of wrongdoing set forth in Claimants' Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested unspecified compensatory damages, disgorgement, restitution, pre-judgment interest, and costs, including attorney's fees.

Respondents Gilford and Redmond, while employed at Gilford, requested dismissal of Claimants' Statement of Claim in its entirety, and costs, including attorney's fees.

Respondents Cantella and Neely requested dismissal of Claimants' Statement of Claim in its entirety, that all arbitration fees be assessed to Claimants, and costs.

Respondent Redmond, while employed at Cantella, requested dismissal of Claimants' Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On May 31, 2006, Claimants dismissed Respondent Neely with prejudice.

On June 27, 2006, counsel for Respondents Cantella and Neely advised NASD that this matter had settled and that Respondents Neely and Redmond would be seeking expungement of references to this matter from their CRD records.

On June 28, 2006, Claimants dismissed this entire matter with prejudice.

On June 30, 2006, NASD received a proposed Stipulated Award executed by all parties, except for Respondent Redmond (while employed at Cantella). The proposed Stipulated Award included a recommendation by the Panel to expunge all references to this matter from Respondents Neely's and Redmond's CRD records. On July 14, 2006, Respondent Redmond, pro se at the time, filed a brief in support of his request for expungement. On July 18, 2006, Respondent Neely decided not to pursue expungement. On August 2, 2006, the Panel deliberated on Respondent Redmond's request for expungement and decided to seek Claimants' written response to Respondent Redmond's brief before reaching a decision. On September 8, 2006, the Chairperson requested the appearance of Claimants and Respondent Redmond at a conference call. On September 18, 2006, Claimants filed their response supporting

Respondent Redmond's expungement request and advised that they would not participate in a conference call. On September 19, 2006, the Panel conducted a telephonic conference attended by attorneys Sheldon Jaffe and Christopher Cooke, and Respondent Redmond on Redmond's expungement request. At the hearing, the Panel confirmed that Respondent Redmond did not contribute to the settlement. The Panel requested that Respondent Redmond's attorney provide the Panel with copies of Claimants' new account forms. On September 19 and September 20, 2006, Respondent Redmond's attorney submitted the requested new account forms. After review of the post-hearing submissions, the Panel granted Respondent Redmond's request for expungement.

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

STIPULATED AWARD

After considering the parties' stipulation, pleadings, testimony provided at the September 19, 2006, conference call, and post-hearing submissions, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Shane Redmond's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Shane Redmond must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure, the Arbitration Panel has made the following affirmative findings of fact:

The claim, allegation, or information is false.

- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and 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 = \$ 250.00

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 firms Gilford Securities, Inc., and Cantella & Co., Inc., are parties and the following fees are assessed to each:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 2,200.00
Total Member Fees	= \$ 4,450.00

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

(1) Decision on discovery-related motion on the papers
with one arbitrator @ \$200.00/motion = \$ 200.00
Respondents Cantella and Neely jointly submitted one discovery-related motion

(2) Pre-hearing conference sessions with the full panel
@ \$1,000.00/session = \$ 2,000.00
Pre-hearing conferences: October 17, 2005 1 session
September 19, 2006 1 session

Total Forum Fees = \$ 2,200.00

1. The Panel assessed \$700.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$500.00 of the forum fees jointly and severally to Respondents Gilford, Cantella, Redmond, and Neely.
3. The Panel assessed \$1,000.00 of the forum fees solely to Respondent Redmond.

Fee Summary

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

Initial Filing Fee	= \$ 250.00
Forum Fees	= \$ 700.00
Total Fees	= \$ 950.00
Retained Deposit, pursuant to Rule 10332(f)	= \$ 300.00
Less payments	= \$(1,250.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Gilford is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
Less payments	= \$(4,450.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Cantella is charged with the following fees and costs:

Member Fees	= \$ 4,450.00
Less payments	= \$(4,450.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondents Gilford, Cantella, Redmond, and Neely are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 500.00
Less payments	= \$ (0.00)
Balance Due NASD Dispute Resolution	= \$ 500.00

5. Respondent Redmond is charged with the following fees and costs:

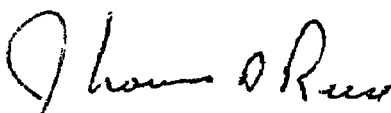
Forum Fees	= \$ 1,000.00
Less payments	= \$ (0.00)
Balance Due NASD Dispute Resolution	= \$ 1,000.00

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

Thomas D. Reese	-	Public Arbitrator, Presiding Chair
Julie D. Soo	-	Public Arbitrator
Darcy Jill Jorgensen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Thomas D. Reese
Chair, Public Arbitrator

Nov 3, 2006
Signature Date

Julie D. Soo
Public Arbitrator

Signature Date

Darcy Jill Jorgensen
Non-Public Arbitrator

Signature Date

11/3/06
Date of Service
(NASD Use Only)

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Julie D. Soo	-	Public Arbitrator
Darcy Jill Jorgensen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas D. Reese
Chair, Public Arbitrator

Signature Date

Julie D. Soo
Julie D. Soo
Public Arbitrator

11/2/06
Signature Date

Darcy Jill Jorgensen
Non-Public Arbitrator

Signature Date

11/3/06
Date of Service
(NASD Use Only)

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Julie D. Soo	-	Public Arbitrator
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Chair, Public Arbitrator

Signature Date

Julie D. Soo
Public Arbitrator

Signature Date



Darcy Jill Jorgensen
Non-Public Arbitrator

11/2/06
Signature Date

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