

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

Kelley Rand
The Kelley Rand IRA
The Kelley H. Rand Roth IRA and
Pink Peony, Inc.

Case Number: 05-01878

Names of the Respondents

Chicago Investment Group, L.L.C.
George E. Reilly and
Michael A. Kalfa

Hearing Site: New Orleans, Louisiana

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

REPRESENTATION OF PARTIES

For Kelley Rand, The Kelley Rand IRA, The Kelley H. Rand Roth IRA and Pink Peony, Inc., hereinafter referred to as "Claimants": L. Jerome Stanley, Esq., L. Jerome Stanley, P.C., Baton Rouge, Louisiana.

For Chicago Investment Group, L.L.C. ("CIG"), George E. Reilly ("Reilly") and Michael A. Kalfa ("Kalfa"), hereinafter referred to as "Respondents": David D. Gorman, Esq., Chicago Investment Group, L.L.C, Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: April 11, 2005.

Claimants signed but did not date the Uniform Submission Agreement.

Statement of Answer filed by Respondents on or about: June 10, 2005.

Respondents signed the Uniform Submission Agreement on: June 8, 2005.

CASE SUMMARY

Claimants alleged the following causes of action: 1) breach of fiduciary duty; 2) breach of contract; 3) omission of facts; and, 4) suitability. The causes of action relate to the purchase of common stock including, but not limited to, Genta.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested: 1) compensatory damages in the amount of \$102,990.47; 2)

margin interest in the amount of \$536.99; 3) consequential damages for taxes and penalties as a result of premature IRA distributions; 4) emotional damages; 5) interest from the date of investment to date of repayment; 6) costs of the arbitration including filing fees, hearing session fees and expert witness fees; 7) attorneys' fees mandated as an item of damage under the Louisiana Securities Act; and 8) punitive damages in the amount of \$200,000.00.

Respondent requested that: 1) the Statement of Claim be dismissed in its entirety; and 2) Claimants be assessed all forum fees, attorneys' fees and other costs incurred herein.

OTHER ISSUES CONSIDERED AND DECIDED

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, 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:

Respondents are found liable, jointly and severally, under the claim of omission of fact and shall pay to Claimants the amount of \$46,345.94 that is 45% of the requested relief of \$102,990.47; inclusive of interest, taxes and penalties at the legal rate for the State of Louisiana incurred from the date of purchase until the date of repayment.

All claims for relief, not specifically addressed herein, including Claimants' claims for punitive damages and attorneys' fees, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondent CIG is a party and a member firm.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00
Total Member fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees incurred during these proceedings.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

There were no three-day cancellation fees assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

There were no injunctive relief fees assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrators, 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 Panel @ \$1,125.00 per session	= \$1,125.00
Pre-hearing conference: August 19, 2005 1 session	
Four (4) Hearing sessions @ \$1,125.00 per session	= \$4,500.00
Hearing Dates: June 26, 2006 2 sessions	
June 27, 2006 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$5,625.00

The Panel has assessed \$2,812.50 of the forum fees to Claimants, jointly and severally.

The Panel has assessed \$2,812.50 of the forum fees to Respondents, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$2,812.50
Total Fees	= \$3,112.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$1,687.50

Respondent CIG is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
<u>Less payments</u>	<u>= \$5,200.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents CIG, Reilly and Kalfa are jointly and severally liable for:

Forum Fees	= \$2,812.50
Total Fees	= \$2,812.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$2,812.50

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

ARBITRATION PANEL

Constance K. Barron
Rene Guas.
William R. Hanlein

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Constance K. Barron
Public Arbitrator, Presiding Chairperson

August 8, 2006
Signature Date

/s/
Rene Guas
Public Arbitrator

August 9, 2006
Signature Date

/s/
William R. Hanlein
Non-Public Arbitrator

August 9, 2006
Signature Date

August 9, 2006

Date of Service (For NASD Dispute Resolution use only)

NASD Dispute Resolution
 Arbitration No. 05-01878
Award Page 4 of 5

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 Non-Public Arbitrator

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Constance K. Barron
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 Public Arbitrator, Presiding Chairperson

8/8/06
 Signature Date

 Rene Guas
 Public Arbitrator

 Signature Date

 William R. Hanlein
 Non-Public Arbitrator

 Signature Date

NASD Dispute Resolution

Arbitration No. 05-01878

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Non-Public Arbitrator

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Public Arbitrator, Presiding Chairperson


Rene Guas
Public Arbitrator

Signature Date

8/9/06
Signature Date

William R. Hanlein
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chairperson

Signature Date

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8/09/06
Signature Date