

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Craig D. Takahashi, Claimant v. Penson Financial Services, Inc., Synergy Investment Group, LLC, Timothy John Bain, Jeffrey Dean Jones, Christopher Joseph Palladino, Eric Christopher Sides, Mark Christopher Wesley, Times Securities, Inc., and Stephanie Pey Chooi, Respondents

Case Number: 05-04302

Hearing Site: Los Angeles, California

Nature of the Dispute: Customer v. Members and Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

Jonathan W. Evans, Esq.
Jonathan W. Evans & Associates
Studio City, California

For Respondent Penson Financial Services, Inc.:

Wm. David Simmons, Esq.
McGuire, Craddock & Strother,
P.C.
Dallas, Texas

For Respondents Synergy Investment Group, LLC,
Timothy John Bain, Jeffrey Dean Jones,
Christopher Joseph Palladino, Eric Christopher
Sides, and Mark Christopher Wesley:

Dennis J. Kelly, Esq.
Dillingham & Murphy, LLP
San Francisco, California

For Respondents Times Securities, Inc. and
Stephanie Pey Chooi:

Stephanie Pey Chooi
Times Securities, Inc.
El Monte, California

CASE INFORMATION

Statement of Claim filed: August 17, 2005

Claimant's Uniform Submission Agreement signed: undated

Statement of Answer and Motion to Dismiss filed by Respondent Penson Financial Services, Inc.: October 10, 2005

Statement of Answer and Motion to Dismiss filed by Respondents Synergy Investment Group, LLC, Timothy John Bain, Jeffrey Dean Jones, Christopher Joseph Palladino, Eric Christopher Sides, and Mark Christopher Wesley: October 24, 2005

Statement of Answer filed by Respondents Times Securities, Inc. and Stephanie Pey Chooi: October 10, 2005

Respondent Penson Financial Services, Inc.'s Uniform Submission Agreement signed: August 24, 2005

Respondent Synergy Investment Group, LLC's Uniform Submission Agreement signed: October 26, 2005

Respondent Timothy John Bain's Uniform Submission Agreement signed: October 26, 2005

Respondent Jeffrey Dean Jones' Uniform Submission Agreement signed: October 26, 2005

Respondent Christopher Joseph Palladino's Uniform Submission Agreement signed: October 26, 2005

Respondent Eric Christopher Sides' Uniform Submission Agreement signed: October 27, 2005

Respondent Mark Christopher Wesley's Uniform Submission Agreement signed: October 26, 2005

Respondent Times Securities, Inc.'s Uniform Submission Agreement signed: November 14, 2005

Respondent Stephanie Pey Chooi's Uniform Submission Agreement signed: October 7, 2005 and November 14, 2005

CASE SUMMARY

Claimant alleged negligence, unsuitability, failure to supervise, breach of contract, breach of fiduciary duty, misrepresentation, fraud, over-concentration and lack of diversification, churning, unauthorized trading, violation of federal and state securities laws, and violation of NASD Rules of Fair Practice. Claimant's claims involved the purchase and sale of various securities, including SINA, NETFLIX, NETEASE, QUALCOMM, and SOHU.

Unless specifically admitted in its Answer, Respondent Penson Financial Services, Inc. denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in their Answer, Respondents Synergy Investment Group, LLC, Timothy John Bain, Jeffrey Dean Jones, Christopher Joseph Palladino, Eric Christopher Sides, and Mark Christopher Wesley denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in their Answer, Respondents Times Securities, Inc. and Stephanie Pey Chooi denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested \$79,245.20 in compensatory damages, interest at the rate of 10% per annum, unspecified punitive damages, disgorgement of commissions, lost opportunity or reasonable return on Claimant's investment sums, and costs, including attorney's fees, expert witness fees, filing fees, and hearing costs.

Respondent Penson Financial Services, Inc. requested dismissal of Claimant's Statement of Claim in its entirety and costs.

Respondents Synergy Investment Group, LLC, Timothy John Bain, Jeffrey Dean Jones, Christopher Joseph Palladino, Eric Christopher Sides, and Mark Christopher Wesley requested dismissal of Claimant's Statement of Claim in its entirety and expungement of Respondents' registration filings with NASD.

Respondents Times Securities, Inc. and Stephanie Pey Chooi requested dismissal of Claimant's Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

On December 5, 2005, Respondents Synergy Investment Group, LLC, Timothy John Bain, Jeffrey Dean Jones, Christopher Joseph Palladino, Eric Christopher Sides, and Mark Christopher Wesley requested to file a cross-claim against Respondents Times Securities, Inc. and Stephanie Pey Chooi for indemnification, equitable contribution, and declaratory relief. Respondents filed their request pursuant to NASD Code of Arbitration Procedure ("Code") Rule 10328(c). NASD did not receive any response to the request. The Panel declines to accept the filing of the cross-claim, and refers the parties to their judicial remedies, or to any dispute resolution forum agreed to by the parties, without prejudice to any claims or defenses available to any party, pursuant to Rule 10305 of the Code.

On June 14, 2006, Respondent Person Financial Services, Inc. filed a Memorandum in Support of its Motion to Dismiss. On July 10, 2006, Claimant filed an Opposition to Person Financial Services, Inc.'s Motion to Dismiss. On August 4, 2006, Respondent Person Financial Services, Inc. filed a Reply to Claimant's Response to Motion to Dismiss. On June 14, 2006, Respondents Synergy Investment Group, LLC, Timothy John Bain, Jeffrey Dean Jones, Christopher Joseph Palladino, Eric Christopher Sides, and Mark Christopher Wesley filed a Motion to Dismiss. On July 10, 2006, Claimant filed an Opposition to Respondents Synergy Investment Group, LLC, Timothy John Bain, Jeffrey Dean Jones, Christopher Joseph Palladino, Eric Christopher Sides, and Mark Christopher Wesley's Motion to Dismiss. On July 28, 2006, Respondents Synergy Investment Group, LLC, Timothy John Bain, Jeffrey Dean Jones, Christopher Joseph Palladino, Eric Christopher Sides, and Mark Christopher Wesley filed a Reply to Claimant's Opposition to Motion to Dismiss. On September 21, 2006, the Arbitration Panel and parties held a telephonic pre-hearing conference to hear oral argument on the two Motions to Dismiss. On September 21, 2006, the Arbitration Panel issued an Order denying both Motions to Dismiss.

On October 16, 2006, at the evidentiary hearing, Claimant informed the Panel that he had settled his claims against all named Respondents except for Times Securities, Inc. and Stephanie Pey Chooi.

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

- 1) Claimant and Respondents Penson Financial Services, Inc., Synergy Investment Group, LLC, Timothy John Bain, Jeffrey Dean Jones, Christopher Joseph Palladino, Eric Christopher Sides, and Mark Christopher Wesley have entered into a confidential settlement agreement.
- 2) Respondents Times Securities, Inc. and Stephanie Pey Chooi are jointly and severally liable to and shall pay Claimant the sum of \$40,000.00 in compensatory damages.
- 3) Respondents Times Securities, Inc. and Stephanie Pey Chooi are jointly and severally liable to and shall pay Claimant interest at the rate of 10% per annum on \$40,000.00 from August 17, 2005 to October 17, 2006.
- 4) Respondents Times Securities, Inc. and Stephanie Pey Chooi are jointly and severally liable to and shall pay Claimant the sum of \$16,000.00 in attorney's fees, pursuant to *Intercity Co. Establishment v. Ahto*, 13 F.Supp.2d 253 (D.Conn. 1998); *Mutual Service Corp. v. Spaulding*, 972 F.Supp. 1126 (N.D. Ill., 1997); *First Interregional Equity Corp. v. Haughton*, 842 F. Supp. 106 (S.D.N.Y.) 1994; and *Wing v. J.C. Bradford & Co.*, 678 F. Supp. 622, 626 (N.D. Miss. 1987).
- 5) Respondents Times Securities, Inc. and Stephanie Pey Chooi are jointly and severally liable to and shall pay Claimant the sum of \$2,025.00 in costs.
- 6) Respondents Times Securities, Inc. and Stephanie Pey Chooi are jointly and severally liable to and shall pay Claimant the sum of \$225.00 as reimbursement for the initial claim filing fee.
- 7) Except as awarded above, the parties shall bear their respective costs.
- 8) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, 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	= \$ 225.00
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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 Person Financial Services, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 1,700.00
Total Member Fees	= \$ 3,550.00

The member firm Synergy Investment Group, LLC is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 1,700.00
Total Member Fees	= \$ 3,550.00

The member firm Times Securities, Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,100.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 1,700.00
Total Member Fees	= \$ 3,550.00

Forum Fees and Assessments

The Panel 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 arbitrators, that lasts four hours or less. Fees associated with these proceedings are:

2 Pre-hearing conference sessions with the Panel @ \$750.00/session	= \$ 1,500.00
Pre-hearing conferences: January 17, 2006	1 session
September 21, 2006	1 session
4 Hearing sessions @ \$750.00/session	= \$ 3,000.00
Hearings: October 16, 2006	2 sessions
October 17, 2006	2 sessions

Total Forum Fees	= \$ 4,500.00
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The Panel assessed \$4,500.00 of the forum fees jointly and severally to Respondents Times Securities, Inc. and Stephanie Pey Chooi.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
Less payments	= \$(1,425.00)
Refund Due Claimant	= \$(1,200.00)

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

Member Fees	= \$ 3,550.00
Less payments	= \$(3,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondent Synergy Investment Group, LLC is charged with the following fees and costs:

Member Fees	= \$ 3,550.00
Less payments	= \$(3,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondent Times Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,550.00
Less payments	= \$(3,550.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

5. Respondents Times Securities, Inc. and Stephanie Pey Chooi are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 4,500.00
Less payments	= \$(0.00)
Balance Due NASD Dispute Resolution	= \$ 4,500.00

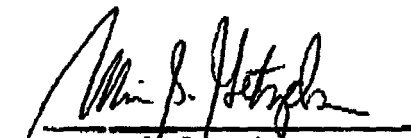
All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Morris S. Getzels
Robert C. Albini
John B. Wells

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures


Morris S. Getzels
Chair, Public Arbitrator

10/18/06
Signature Date

Robert C. Albini
Public Arbitrator

Signature Date

John B. Wells
Non-Public Arbitrator

Signature Date

10/19/06
Date of Service

ARBITRATION PANEL

Morris S. Getzels	-	Public Arbitrator, Presiding Chair
Robert C. Albin	-	Public Arbitrator
John B. Wells	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Morris S. Getzels
Chair, Public Arbitrator

Signature Date


Robert C. Albin
Public Arbitrator

10/18/06
Signature Date

John B. Wells
Non-Public Arbitrator

Signature Date

10/19/06
Date of Service

ARBITRATION PANEL

Monis S. Getzels	-	Public Arbitrator, Presiding Chair
Robert C. Albini	-	Public Arbitrator
John B. Wells	-	Non-Public Arbitrator

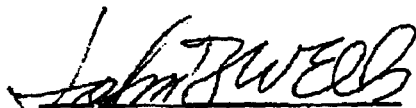
Concurring Arbitrators' Signatures

Monis S. Getzels
Chair, Public Arbitrator

Signature Date

Robert C. Albini
Public Arbitrator

Signature Date


John B. Wells
Non-Public Arbitrator

10/18/06
Signature Date

10/19/06
Date of Service