

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
STEPHEN FICANO,)	
)	
Claimant,)	Case No. 89-03175
vs.)	
)	Award
ALLIED CAPITAL GROUP, INC.,)	
ROBERT SCONZO,)	
)	
Respondents,)	

Heard before the members of the Arbitration Panel:

Joseph L. Bernstein, Esq.
Mr. Harry Polansky
Mr. Terrence W. Grant

CASE SUMMARY

This claim was filed with the NASD, Inc. on November 14, 1989. The hearing was conducted in Fort Lauderdale, Florida on August 1, 1990, with a total of 1 session.

Claimant, Stephen Ficano ("Ficano"), alleged that Respondents, Allied Capital Group, Inc. ("Allied") and Robert Sconzo ("Sconzo") were liable for: fraud; breach of fiduciary duties; negligence; violation of Federal Securities Laws; and, as it relates to Allied, negligent supervision. Claimant alleged that Sconzo induced him into purchasing certain stock by representing that he had inside information.

Respondent, Allied, alleged that: Claimant has not alleged any misrepresentations by Respondent, Sconzo; information regarding the proposed merger of Davin Enterprises and Target Vision Inc., was based on a letter of intent and not on any inside information; Claimant was kept informed of the stock's prices on a continuing basis and was informed of all the risks involved and was an experienced investor. Allied asserted a cross claim against Sconzo for indemnification but did not appear at the hearing.

Respondent, Sconzo, denied liability and alleged that Claimant is an experienced investor who was aware of the risks involved.

RELIEF REQUESTED

Claimant requested damages in the amount of \$21,540.00 plus interest, costs, attorney's fees and punitive damages of \$10,000.00. Respondent, Allied, requested dismissal of the claim plus costs and attorney's fees and crossclaimed for indemnification, costs and attorney's fees. Respondent, Sconzo, requested dismissal of the claim.

AWARD

On August 1, 1990, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on September 28, 1989, and by Respondents, Allied, on January 11, 1990 and Sconzo on February 1, 1990. Having considered the pleadings, the testimony, and the evidence presented at the hearing and Respondent, Allied neither appearing at the hearing nor seeking any adjournment thereof, notwithstanding its knowledge of this arbitration, as evidenced in the record of proceedings, the arbitration panel has determined in full and final resolution of the issues submitted for determination as follows:

1. The Claimant and Respondent, Sconzo, agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, these parties have agreed to receive receive conformed copies of the Award while the originals remain on file with the NASD, Inc.
2. Respondents, Allied and Sconzo, are liable, jointly and severally, and shall pay to the Claimant the amount of Twenty Three Thousand Seven Hundred Two and 00/100 (\$23,702.00) Dollars inclusive of interest at the legal rate of 12% per annum from 11/8/89 to 8/1/90.

3. Claimant's request for attorney's fees, costs and punitive damages is hereby dismissed in all respects.
4. Respondent, Sconzo, is not liable to Respondent, Allied, and, therefore, the crossclaim against him is hereby dismissed.
5. Upon payment of the amount specified in paragraph number 2, the Claimant shall assign to either or both of the Respondents all right, title and interest, or shall execute any necessary documents evidencing such assignment, in and to CIP Holdings n/k/a First Response Med., Inc. and Davin Enterprises, Inc., in amounts equal to the proportion that each Respondent contributes to such payment.
6. Pursuant to Section 43 of the Code of Arbitration Procedure, the arbitrators have assessed forum fees in the amount of Four Hundred and 00/100 (\$400.00) Dollars, (\$400 x 1 session). Respondent, Allied, is hereby assessed forum fees in the amount of Four Hundred and 00/100 (\$400.00) Dollars, to be paid directly to the Claimant as a return of his filing fee. The NASD, Inc. shall retain the Four Hundred and 00/100 (\$400.00) Dollar filing fee previously deposited by Claimant in full satisfaction of such forum fees.
7. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

OTHER ISSUES

1. Jurisdiction exists pursuant to Sections 12 and 13 of the NASD Code of Arbitration Procedure.

2. For the reasons set forth in the record of proceedings and contained in Arbitrator's Exhibit No. 2, this Panel finds service upon and adequate notice to Respondent, Allied. The NASD has made every attempt to locate and serve Respondent, Allied, with Notice of this hearing as demonstrated by the evidence contained in Arbitrator's Exhibit #2.

ARBITRATORS CONCURRING

Joseph L. Bernstein, Esq.
Mr. Harry Polansky
Mr. Terrence W. Grant

Dated: August 8, 1990