

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Alan and Maria Benedict
Westchester Funeral Home, Inc.
Westchester Funeral Home Inc Pension Tr

92-02755

Name of Respondents

The Concord Group of Princeton, LTD.
Scott Santin
Christopher Cahill

REPRESENTATION

For Claimants. Alan Benedict, Maria Benedict, Westchester Funeral Home, Inc., and Westchester Funeral Home, Inc. Pension Trust ("Claimants"), Lawrence A. Pittore, Esq., from the law firm of Lawrence A. Pittore.

For Respondents The Concord Group of Princeton, Ltd. ("Concord"), Scott Santin ("Santin"), and Christopher Cahill ("Cahill"), collectively ("Respondents"), Mark D. Schorr, Esq. from the law firm of Hannoch Weisman.

CASE INFORMATION

Statement of Claim was filed on August 14, 1992.

Claimants' Submission Agreement was signed on August 14, 1992.

Joint Statement of Answer was filed on October 8, 1992.

Concord's Submission Agreement was signed on October 8, 1992.

Santin's Submission Agreement was signed on October 8, 1992.

Cahill's Submission Agreement was signed on October 8, 1992.

HEARING INFORMATION

Hearing Dates/Hearing Sessions: April 21, 1993 - 2 sessions
April 20, 1993 - 2 sessions

Hearing Location: National Association of Securities Dealers, Inc.'s offices located at 33 Whitehall Street, New York City, New York.

CASE SUMMARY

Claimants allege that they were solicited by Clement W. McLaughlin, Jr. ("McLaughlin"), a broker registered with Concord, who informed them of an alleged investment called Brunswick Asset Management ("BAM"). Claimants allege that McLaughlin, who was a control person of Concord, claimed that BAM was a secure investment utilizing tax-free municipal bonds with various rates of return from 8% to 12%. Claimants allege that Cahill was Chief Executive Officer and a control person of Concord and that Santin had a duty to direct, supervise, control and otherwise manage the business affairs of Concord and McLaughlin. Claimants allege that upon McLaughlin's request and based on representations and information made by him, Alan Benedict, Maria Benedict, Westchester Funeral Home, Inc., and Westchester Funeral Home, Inc. Pension Trust issued checks to McLaughlin which were payable to BAM totaling \$115,000.00. Claimants claim that they were subsequently contacted by the District Attorney's Office of Westchester County and were informed that BAM was not a legitimate investment and did not exist. Claimants allege that McLaughlin deposited all \$115,000.00 directly into his personal account and illegally converted the proceeds to his own use. Claimants claim that Concord, Cahill and Santin, as controlling persons failed properly supervise McLaughlin and thus are responsible for losses suffered.

Respondents deny liability. Respondents maintain that they were unaware of McLaughlin's actions and that Claimants failed to act reasonably to take action which would have avoided their losses, and to notify Respondents of any investment made. Further, Respondents maintain that Claimants have not alleged any actionable conduct of Santin and Cahill. Respondents maintain that Claimants never contacted Respondents to request a confirmation, prospectus or account statement.

RELIEF REQUESTED

Claimants request an award of \$115,000.00 in actual damages and \$350,000.00 in punitive damages together with interest, costs, attorney's fees and such other and further relief as deemed appropriate by the arbitrators.

Respondents request that the Statement of Claim be dismissed against Concord since it fails to

set forth a claim upon which relief can be granted. Respondents request that the claim against Cahill and Santin be dismissed on the basis of laches, wages and estoppel.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed to receive conformed copies of the Award while the original remain on file with the NASD.

The Claimants originally sought relief against the Concord Advisory Group, Ltd. and Concord Group Holdings, Inc. in addition to Respondents. The Concord Advisory Group, Ltd. and Concord Group Holdings, Inc. are not, nor ever were subject to NASD jurisdiction and did not voluntarily submit to arbitration. The Claimants withdrew their claim against the Concord Advisory Group and Concord Group Holdings, Inc. from the NASD's arbitration forum.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claim is denied in its entirety.
2. Respondents shall jointly and severally pay Claimants costs in accordance with item 2 of the Forum Fees section of this Award.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

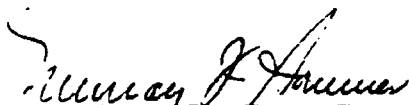
Non-refundable Filing Fee: \$200.00

Hearing Session Fees: \$750.00 X 4 sessions = \$3,000.00

1. Claimants deposited \$950.00 and are entitled to a refund in the amount of \$750.00.
2. Respondents jointly and severally shall pay the Claimant sum of \$750.00 and remit the balance \$2,250.00 to the NASD.

Fees are payable to the National Association of Securities Dealers, Inc.

CONCURRING ARBITRATORS' SIGNATURE


Murray I. Sommer, Esq.

Public Arbitrator

Date of Decision: June 9, 1993

STATE OF *Westchester*
COUNTY OF *Westchester*

S.S.:

On this *25th* day of *May*, 1993, before me personally appeared **Murray I. Sommer, Esq.** known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same

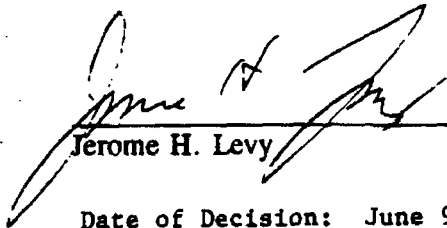
Kevin L. Cook

KEVIN L. COOK
NOTARY PUBLIC, STATE OF NEW YORK
NO. 0200483105
QUALIFIED IN WESTCHESTER COUNTY
MY COMMISSION EXPIRES NOV. 23, 1993

1. Claimants deposited \$950.00 and are entitled to a refund in the amount of \$750.00.
2. Respondents jointly and severally shall pay the Claimant sum of \$750.00 and remit the balance \$2,250.00 to the NASD.

Fees are payable to the National Association of Securities Dealers, Inc.

CONCURRING ARBITRATORS' SIGNATURE



Jerome H. Levy

Industry Arbitrator

Date of Decision: June 9, 1993

STATE OF

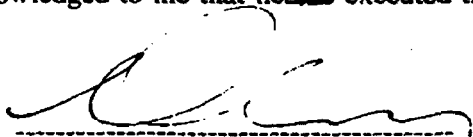
NY

COUNTY OF

NY

S.S.:

On this 9th day of JUNE, 1993, before me personally appeared **Jerome H. Levy** known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he ~~has~~ executed the same



Comm. expires 7/1/94

1. Claimants deposited \$950.00 and are entitled to a refund in the amount of \$750.00.
2. Respondents jointly and severally shall pay the Claimant sum of \$750.00 and remit the balance \$2,250.00 to the NASD.

Fees are payable to the National Association of Securities Dealers, Inc.

CONCURRING ARBITRATORS' SIGNATURE


Charles C. Marotta

Public Arbitrator

Date of Decision: June 9, 1993

STATE OF NY

S.S.:

COUNTY OF NY

On this 26 day of May, 1993, before me personally appeared Charles C. Marotta known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same

Mark Mark

MARK G. GLUT
Notary Public, State of New York
No. 4985183
Qualified in Queens County
Commission Expires April 20, 1994