

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimants

Carol Lefcourt
Lefcourt Financial Group, Inc.

NASD Arbitration
#94-01403

vs.

Name of Respondents

Michael Golub
Michael Golub, Inc.
Bob Arnett
Phil Economopolous
Hoefler & Arnett
Pine Capital Management, Inc.

REPRESENTATION

Claimants were represented by Brad W. Blocker, Esq., Ropers, Majeski, Kohn, Bentley, Wagner & Kane, Redwood City, California

Respondents were represented by Robert J. Stumpf, Jr., Esq., and Steven S. Cherensky, Esq., Bronson, Bronson & McKinnon, San Francisco, California

CASE INFORMATION

Statement of Claim filed on April 12, 1994.

Claimants' Submission Agreement was signed on April 4, 1994.

Joint Statement of Answer was filed on July 26, 1994.

All Respondents signed submission agreements on August 1, 1994.

HEARING INFORMATION

A pre-hearing telephone conference lasting 1 session was held on November 15, 1994.

The evidentiary hearing was held in San Francisco, California as follows:

February 15, 1995	-	2 sessions
February 16, 1995	-	2 sessions
February 17, 1995	-	2 sessions
February 21, 1995	-	2 sessions
February 22, 1995	-	2 sessions
February 23, 1995	-	2 sessions
February 24, 1995	-	1 sessions

CASE SUMMARY

Claimants alleged that the September 28, 1992, agreement, executed by Carol Lefcourt and Michael Golub, created rights and obligations for all parties to this arbitration case. Claimants alleged that the agreement provided significant economic benefits to respondents, in exchange for which Respondents made certain representations and promises, including an agreement to pay to Claimants specified monetary compensation. Claimants alleged that Respondents have failed and refused to honor these representations and promises, and have maintained in bad faith that they have no legal obligations under the agreement of September 28, 1992. Claimants also alleged bad faith denial of existence of contract, fraud, interference with prospective economic advantage and breach of the implied covenant of good faith and fair dealing. In addition, Claimants alleged that Respondents' repeated violations of the confidentiality terms of the September 28, 1992, agreement have resulted in substantial emotional distress, pain and suffering.

Respondents denied the allegations of the claim and asserted that Claimants repudiated then literally tore up the agreement between the parties, then breached the contract by doing the opposition of what was promised by Claimants, rendering the agreement void.

RELIEF REQUESTED

Claimants requested economic damages of at least \$987,612; tort damages for pain and suffering, emotional distress, and injury to reputation of approximately \$1,012,388, plus punitive damages of approximately \$3,000,000.

Respondents requested dismissal of all claims, and an award of costs of arbitration.

OTHER ISSUES CONSIDERED & DECIDED

This claim was initially filed in San Mateo County Superior Court, Case No. 384679, and was removed to arbitration by mutual agreement of the parties.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award maybe entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

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. With respect to the claim for breach of contract, Respondents Michael Golub, Hoefer & Arnett and Pine Capital Management, Inc. are jointly and severally liable for and shall pay to Claimants the sum of \$460,000.
2. All other claims, including the claim for punitive damages, are dismissed in their entirety.
3. The parties shall each bear their respective costs, including attorney's fees.

FORUM FEE

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the NASD shall retain the \$500 non-refundable filing fee paid by Claimants but shall refund the \$1000 hearing session deposit.

Respondent Hoefer & Arnett is assessed all forum fees as follows:

1 pre-hearing conference @ \$300/session	\$ 300
13 hearing sessions @ \$1000/session	<u>13,000</u>
Balance due	\$13,300

Fees are payable to the NASD, Inc.

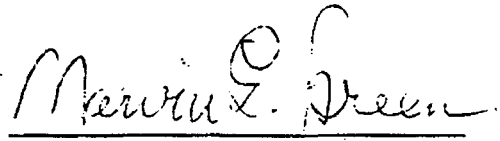
ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Blake Weston	Industry
Terrence W. Dorsey	Industry
Marvin G. Breen	Industry

Concurring Arbitrators Signatures

Blake Weston

Terrence W. Dorsey



Marvin G. Breen

Date of Decision: _____

Date Served: 03/14/95