

NASD REGULATION AWARD

In the Matter of the Arbitration Between

Name of Claimants

Leo Fleysher and Sofia Fleysher

95-00644

Name of Respondents

Steven Jaloza
Oleg Ferdman
Joseph Dillon & Co., Inc.
Corporate Securities Group, Inc.
J.W. Charles Clearing Corp.

REPRESENTATION

For Claimants appeared Lloyd S. Clareman, Esq., a sole practitioner, located in New York, New York.

For Respondents Steven Jaloza ("Jaloza"), Oleg Ferdman ("Ferdman") and Joseph Dillon & Co., Inc. ("Joseph Dillon") appeared Chase A. Caro, Esq. and Eva Possavino, Esq. of Caro & Graifman located in New York, New York.

For Respondents Corporate Securities Group, Inc. ("CSG") and J.W. Charles Clearing Corp., Inc. ("J.W.Charles") appeared Charles E. Scarlett, Esq. of Boca Raton, Fl.

CASE INFORMATION

The Statement of Claim was filed on February 7, 1995. Claimant Leo Fleysher's Submission Agreement was signed on January 21, 1995 and Mrs. Fleysher's was signed on January 28, 1995.

A Joint Statement of Answer was filed by Respondents Ferdman, Jaloza and Joseph Dillon & Co on April 19, 1995. Respondent Jaloza's Submission Agreement was signed on April 19, 1995. Respondent Ferdman's Submission Agreement was signed on April 19, 1995. Joseph Dillon's Submission Agreement was signed on April 19, 1995.

Respondent CSG's Statement of Answer was filed on May 1, 1995. CSG's Submission Agreement was signed on May 2, 1995.

Respondent J.W. Charles filed a Statement of Answer on May 1, 1995. J.W. Charles Corp.'s Submission Agreement was signed on May 2, 1995.

HEARING INFORMATION

Pre-Hearing Conference:	November 2, 1995	1 Session
Hearing Dates/Sessions:	May 9, 1996	2 Sessions
	May 10, 1996	2 Sessions

November 1, 1996
March 3, 1997
March 4, 1997

2 Sessions
2 Sessions
2 Sessions

Hearing Location: NASD Regulation offices located in New York, NY.

CASE SUMMARY

Claimants Leo and Sofia Fleyscher, husband and wife, alleged that on November 8, 1994, respondents Jaloza and Ferdman, acting through and on behalf of the firm of Joseph Dillon, which they owned, committed an unauthorized trade in respect of the alleged sale to claimants of 15,000 shares of stock of Capital Gaming International Inc. ("GDFI"), for a total price of \$99,375.00. Claimant Leo Fleyscher, who handled the claimants' account on behalf of himself and his wife, was traveling in Texas on business from November 7-11. he denied placing any order for 15,000 shares of GDFI with the respondents at any time, and objected to the trade promptly upon learning about it. Claimants further alleged that they did not consent to the liquidation of two other stocks in their account, Video lottery and Sigmatron, which was done by respondents in order to pay for the unauthorized trade of GDFI. Claimants alleged that the actions of Jaloza, Ferdman, and Joseph Dillon constituted common law fraud, breach of fiduciary duty, violations of Section 10(b) of the securities and Exchange Act and Rule 10b-5, and NASD and NYSE rules.

Claimants also alleged that respondents CSG and J.W. Charles aided and abetted these violations by failing to obtain the Fleyschers' written consent to the transfer of their account from CSG, where it was originally opened by Jaloza to Joseph Dillon.

Respondents Jaloza, Ferdman and Joseph Dillon denied the allegations in the Statement of Claim in their entirety. Respondents maintained that the trade was fully authorized and was an appropriately executed "not held" order which was ratified by Leo Fleyscher one day after its execution.

Respondents CSG and J.W. Charles denied having any liability to the claimants by reason of the fact that their account was not domiciled at CSG when the unauthorized trade occurred.

RELIEF REQUESTED

Claimants requested compensatory damages against Jaloza, Ferdman and Joseph Dillon, jointly and severally, in the amount of:

- (i) \$80,651 in compensatory damages as a direct result of the unauthorized GDFI trade;
- (ii) interest at the statutory rate of 9% from November 15, 1994 to the date of the award, or \$16,936 as of March 14, 1997;
- (iii) treble the amount of actual damages of \$80,651, for a total of \$241,953, pursuant to civil RICO;
- (iv) a reasonable attorney's fee in the amount of \$20,000 also pursuant to civil RICO;
and
- (v) punitive damages in an amount to be determined by the panel.

Claimants further requested that all hearing costs be assessed against respondents.

Respondents Jaloza, Ferdman and Joseph Dillon requested dismissal of all claims for relief in the claimants' Statement of Claim with prejudice; costs and attorneys' fees; and such other and further relief as the Panel deems equitable and just.

Respondents CSG and J.W. Charles requested dismissal of all claims for relief in the claimants' Statement of Claim with prejudice; and costs and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

The panel granted the motion of CSG and J.W. Charles to dismiss the claims against them.

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

AWARD

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

1. Respondents Jaloza, Ferdman and Joseph Dillon be and hereby are jointly and severally liable to and shall pay claimants the sum of \$76,335 in compensatory damages, which includes pre-judgment interest at the rate of 9% from November 15, 1994.
2. Claimants request for punitive damages is hereby denied.
3. Claimants' request for damages pursuant to civil RICO is hereby denied.
4. Each party shall bear its own costs, including attorneys' fees.
5. All other requests for relief are hereby denied.

FORUM FEES

Pursuant to Rule 10332 of the Code of Arbitration procedure, the panel has determined that NASD Regulation shall retain the \$200.00 non-refundable filing fee previously deposited by claimants and have assessed the following forum fees:

1 Pre-hearing session x \$300.00	= \$ 300.00
12 Sessions x \$750.00	= 9,000.00
Total Forum Fees	= \$9,300.00
less claimants' hearing session deposit	= \$ 750.00
Total due NASD Regulation	= \$8,550.00

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The arbitrators have determined that Respondents Jaloza, Ferdman and Joseph Dillon & Co, Inc. shall bear the entire cost of arbitration. Therefore respondents Jaloza, Ferdman and Joseph Dillon be and hereby are jointly and severally liable and shall pay NASD Regulation the sum of \$8,550.00. Respondents Jaloza, Ferdman and Joseph Dillon be and hereby are jointly and severally liable and shall reimburse claimants the sum of \$750.00 which represents the hearing session deposit they previously remitted.

Fees are payable to the NASD Regulation, Inc.

ARBITRATORS' SIGNATURES

James M. Baumann, Esq.
Public Chairperson

Carolyn E. Wade, Esq.
Public Panelist

Kenneth L. Lampert
Industry Panelist

I, James M. Baumann, Esq., do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

James M. Baumann, Esq.
Public Chairperson

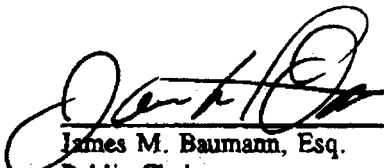
I, Carolyn E. Wade, Esq., do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Carolyn E. Wade, Esq.
Public Panelist

I, Kenneth L. Lampert, do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Kenneth L. Lampert
Industry Panelist

ARBITRATORS' SIGNATURES



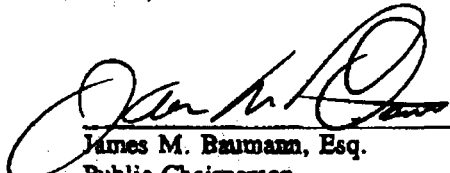
James M. Baumann, Esq.
Public Chairperson

Date of Decision May 27, 1997

Carolyn E. Wade, Esq.
Public Panelist

Kenneth L. Lampert
Industry Panelist

I, James M. Baumann, Esq., do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.



James M. Baumann, Esq.
Public Chairperson

I, Carolyn E. Wade, Esq., do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Carolyn E. Wade, Esq.
Public Panelist

I, Kenneth L. Lampert, do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Kenneth L. Lampert
Industry Panelist

ARBITRATORS' SIGNATURES

James M. Baumann, Esq.
Public Chairperson


Carolyn E. Wade, Esq.
Public Panelist

Date of Decision May 27, 1997

Kenneth L. Lambert
Industry Panelist

I, James M. Baumann, Esq., do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

James M. Baumann, Esq.
Public Chairperson

I, Carolyn E. Wade, Esq., do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.


Carolyn E. Wade, Esq.
Public Panelist

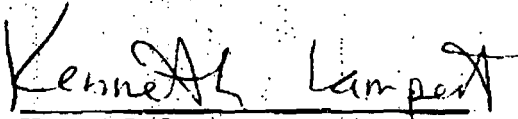
I, Kenneth L. Lambert, do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Kenneth L. Lambert
Industry Panelist

ARBITRATORS' SIGNATURES

James M. Baumann, Esq.
Public Chairperson

Carolyn E. Wade, Esq.
Public Panelist



Kenneth L. Lampert
Industry Panelist

Date of Decision May 27, 1997

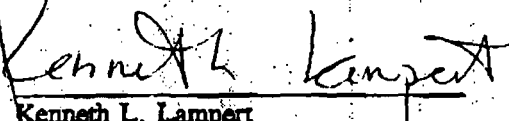
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James M. Baumann, Esq.
Public Chairperson

I, Carolyn E. Wade, Esq., do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Carolyn E. Wade, Esq.
Public Panelist

I, Kenneth L. Lampert, do hereby affirm, pursuant to Rule 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.



Kenneth L. Lampert
Industry Panelist