

**NASD REGULATION, INC.
OFFICE OF DISPUTE RESOLUTION
ARBITRATION AWARD**

NASD REGULATION, INC. OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Elana Traub and Lois Esformes

NASD Regulation, Inc.
Office of Dispute Resolution
Arbitration No.95-04851

Name of Respondents

Gilford Securities, Inc. and Norcross Securities, Inc.

REPRESENTATION

| | |
|--------------------------|---|
| For Claimants: | David C. Hinshaw and Mary Appleton Gasinger, Hinshaw, Buckley and Padilla Los Angeles, California |
| For Respondent Norcross: | Paul J. Roshka Jr. Roshka, Heyman & DeWolf Phoenix, Arizona |

CASE INFORMATION

| | |
|---|------------------|
| Statement of Claim filed: | October 12, 1995 |
| Claimant Elana Traub's Submission Agreement signed: | August 25, 1995 |
| Claimant Lois Esformes' Submission Agreement signed: | October 3, 1995 |

Statement of Answer filed by Respondent
Gilford Securities, Inc.:

January 12, 1996

Statement of Answer filed by Respondent
Norcross Securities, Inc.:

December 27, 1995

HEARING INFORMATION

Hearing Dates / Sessions:

January 30, 1997 (2 sessions)

January 31, 1997 (2 sessions)

February 5, 1997 (2 sessions)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondents engaged in misrepresentation and suggested unsuitable investments. Claimants further alleged breach of contract.

Respondents denied that allegations of wrongdoing found in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages of \$200,000.00 plus a reasonable rate of interest of a prudently managed investment account. Claimants also requested a minimum of \$100,000.00 in punitive damages.

Respondents requested that the Claimants' claim should be dismissed, and that costs be paid by Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Gilford Securities, Inc. Settled with Claimant prior to the commencement of the hearing on the merits.

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. Respondent Norcross Securities, Inc. is liable to and shall pay Claimant Esformes the sum of \$68,131.00. This amount includes pre-judgment interest.
2. Respondent Norcross Securities, Inc. is liable to and shall pay Claimant Traub the sum of \$507.00. This amount includes pre-judgment interest.
3. The Claimants' request for punitive damages is denied in its entirety.
4. The parties shall each bear their respective costs, including attorney's fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed Respondent Norcross Securities, Inc.:

| | | |
|---|----------|-------------------|
| <u>6 Hearing Sessions @\$750.00/Session</u> | <u>=</u> | <u>\$4,500.00</u> |
| Total Fees Assessed | = | \$4,500.00 |

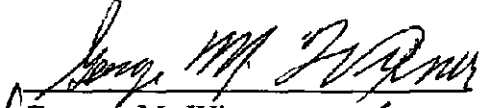
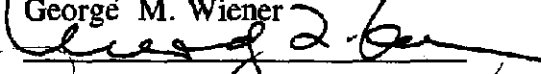
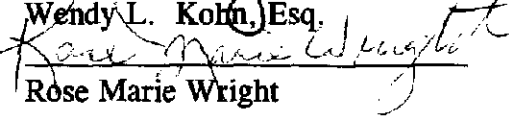
Claimants' Hearing Session Deposit shall be refunded by NASD Regulation, Inc.

Fees are payable to the NASD Regulation, Inc.

ARBITRATORS

| <u>Name</u> | <u>Public / Industry</u> |
|------------------------|--------------------------|
| George M. Wiener, Esq. | Public Arbitrator |
| Wendy L. Kohn, Esq. | Public Arbitrator |
| Rose Marie Wright | Industry Arbitrator |

Concurring Arbitrators' Signatures


George M. Wiener

Wendy L. Kohn, Esq.

Rose Marie Wright

Date of Decision: _____

Date of Service: _____