

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Winifred Frances Brown as Trustee FBO the Brown Trust

v.

Arbitration No.
95-05476

Name of Respondents

Pacific Coast Financial Securities, Inc., Robert Krakower, David C. Erickson, Don Tullio Morandini, Thomas Gans, Kirt Ashman, Scott Presta, Beacon Income Funds I, L.P. through XXX, L.P., Beacon Acquisition Corp. and Beacon Energy, Inc.

REPRESENTATION

For Claimant:

Edward W. Russey, III, Esq. and
Montgomery C. Griffin, J.D.
The Law Offices of Jeff Dennis Ferentz
Newport Beach, California

For Respondents:

John C. Vita, Esq.
Madden, Jones, Cole & Johnson, P.C.
Long Beach, California

CASE INFORMATION

Statement of Claim filed:	December 14, 1995
First Amendment to Statement of Claim filed:	April 3, 1996
Second Amendment to Statement of Claim filed:	July 10, 1996
Claimant's Submission Agreement signed:	January 11, 1996

Joint Statement of Answer filed by Respondents: April 8, 1996

Joint Statement of Answer to Second Amended
Statement of Claim filed: July 26, 1996

HEARING INFORMATION

Pre-Hearing Conference Dates/Sessions: April 25, 1997 (1 session)
May 22, 1997 (1 session)
June 3, 1997 (1 session)

Hearing Dates/Sessions: June 23, 1997 (2 sessions)
June 24, 1997 (2 sessions)
June 25, 1997 (2 sessions)
June 30, 1997 (2 sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents made unsuitable investments given her objectives and that Respondents committed fraud, breach of fiduciary duty, negligence, failure to supervise, elder abuse and RICO violations in connection with the securities sold to her.

Respondents denied Claimant's allegations and stated that the investments purchased for Claimant were suitable and that Respondents disclosed the nature of all investments sold to Claimant, including any and all risks.

RELIEF REQUESTED

Claimant sought rescission of the investments or, in the alternative, compensatory damages in the amount of \$117,000.00, punitive damages, interest, and costs, including expert and attorney's fees.

Respondents sought dismissal of Claimant's claim in its entirety, costs, and reasonable attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 original remains on file with the NASD Regulation, Inc. Office of Dispute Resolution.

On December 17, 1996, Claimant dismissed Respondent Robert Krakower with prejudice from this matter.

On January 2, 1997, Claimant dismissed Respondent David C. Erickson with prejudice from this matter.

On April 11, 1997, Claimant dismissed Respondents Kirt Ashman and Scott Presta with prejudice from this matter.

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. Respondents Pacific Coast Financial Securities, Inc., Don Morandini, Thomas Gans, Beacon Income Funds VI, IX, XVII, XX, XXVIII, Beacon Acquisition Corp. and Beacon Energy, Inc., arising by reason of fraud, are liable to and shall pay Claimant the sum of \$122,197.00, jointly and severally.
2. Each party shall bear their own costs, including attorney's fees.
3. This award is conditioned upon Claimant conveying to Respondents Pacific Coast Financial Securities, Inc., Don Morandini and Thomas Gans all of Claimant's right, title and interest in Beacon Income Funds VI, IX, XVII, XX, and XXVIII.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed against Respondents Pacific Coast Financial Securities, Inc., Don Morandini and Thomas Gans, jointly and severally:

Three (3) Pre-Hearing Conferences @ \$750.00/Session	= \$2,250.00
<u>Eight (8) Hearing Sessions @ \$750.00/Session</u>	<u>= \$6,000.00</u>
Total Forum Fees Assessed	= \$8,250.00

Respondents Pacific Coast Financial Securities, Inc.,	
Don Morandini and Thomas Gans amount owed:	= \$8,250.00
<u>Respondents Credit for Hearing Session Deposit</u>	<u>= \$750.00</u>
Respondents' Balance Due (jointly and severally)	= \$7,500.00

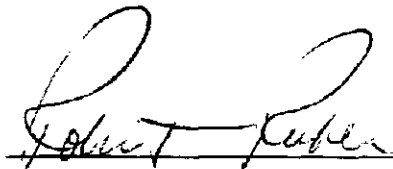
Claimant's Hearing Session Deposit in the amount of \$750.00 shall be refunded by NASD Regulation, Inc.

Fees are payable to the NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Robert Ruben, Esq.	Public Arbitrator
Marcus J. Anwyl-Davies, QC	Public Arbitrator
Rose Marie Wright	Industry Arbitrator

Concurring Arbitrators' Signatures


Robert Ruben, Esq.

Marcus J. Anwyl-Davies, QC

Rose Marie Wright

Date of Service: July 24 2014

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Robert Ruben, Esq.	Public Arbitrator
Marcus J. Anwyl-Davies, QC	Public Arbitrator
Rose Marie Wright	Industry Arbitrator

Concurring Arbitrators' Signatures

Robert Ruben, Esq.



Marcus J. Anwyl-Davies, QC

Rose Marie Wright

Date of Service: July 24, 1997

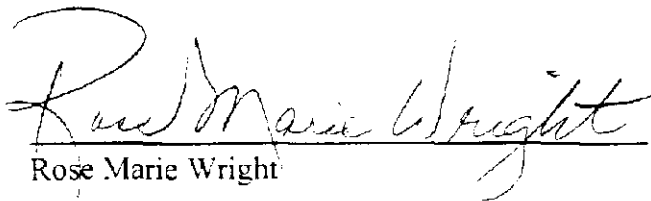
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Robert Ruben, Esq.	Public Arbitrator
Marcus J. Anwyl-Davies, QC	Public Arbitrator
Rose Marie Wright	Industry Arbitrator

Concurring Arbitrators' Signatures

Robert Ruben, Esq.

Marcus J. Anwyl-Davies, QC



Rose Marie Wright

Date of Service: May 24, 1997



NASD Regulation, Inc., Dispute Resolution
300 South Grand Avenue, Suite 1620
Los Angeles, CA 90071
213-613-2680
213-613-2677-Fax

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JUG 05 1997

NASD-Arbitration Mediation

VIA FACSIMILE AND U.S. MAIL

MEMORANDUM

TO: All Counsel/Party Representatives

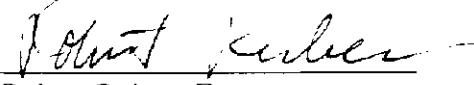
FROM: Jeffrey A. Miller, Esq.
Staff Attorney

SUBJECT: NASD Arbitration Number 95-5476
Brown Trust v. Pacific Coast Financial Securities, Inc. et al.

DATE: August 4, 1997

The arbitration panel, having considered Claimant's request for clarification of the arbitration award regarding the issue of punitive damages, responds as follows:

1. Claimant's request for punitive damages is denied in its entirety.


Robert Ruben, Esq.

Rose Marie Wright

Marcus J. Anwyl-Davies, QC

JAM:955476b



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NASD-Arbitration Mediation

VIA FACSIMILE AND U.S. MAIL

MEMORANDUM

TO: All Counsel/Party Representatives

FROM: Jeffrey A. Miller, Esq.
Staff Attorney

SUBJECT: NASD Arbitration Number 95-5476
Brown Trust v. Pacific Coast Financial Securities, Inc. et al.

DATE: August 1, 1997

The arbitration panel, having considered Claimant's request for clarification of the arbitration award regarding the issue of punitive damages, responds as follows:

1. Claimant's request for punitive damages is denied in its entirety.

Robert Ruben, Esq.

Rose Marie Wright

Marcus J. Anwyl-Davies, QC

JAM:955476b



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FROM: Jeffrey A. Miller, Esq.
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Brown Trust v. Pacific Coast Financial Securities, Inc. et al.

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1. Claimant's request for punitive damages is denied in its entirety.

Robert Ruben, Esq.

Rose Marie Wright

Marcus J. Anwyl-Davies, QC

JAM:955476h