

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimants

Jitsuo & Jane Yamamoto

v.

Arbitration No.
96-02856

Name of Respondents

La Croix Alexander Financial Corporation and GPS Consulting Corporation

REPRESENTATION

For Claimant:

Peter Epstein
Rancho Palos Verdes, California

For Respondent:

Dan R. Waller, Esq.
Secore & Waller, LLP
Dallas, Texas

CASE INFORMATION

Statement of Claim filed: On or about July 5, 1996

Claimants' Submission Agreement signed: June 28, 1996

Statement of Answer filed by Respondents: September 30, 1996

Respondent GPS Consulting Corporation's
Submission Agreement signed: September 25, 1996

Respondent La Croix Alexander Financial Corporation's
Submission Agreement signed: October 17, 1996

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions: January 7, 1997 (1 Session)
April 25, 1997 (1 Session)
May 9, 1997 (1 Session)

Hearing Dates / Sessions: June 25, 1997 (2 Sessions)
June 26, 1997 (2 Sessions)
August 6, 1997 (2 Sessions)
August 7, 1997 (2 Sessions)
August 8, 1997 (2 Sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondents committed breach of fiduciary duty, omission, misrepresentation, and failed to exercise due diligence in connection with the securities sold to Claimants.

Respondents denied Claimants claims in their entirety.

RELIEF REQUESTED

Claimants sought \$45,000.00 in compensatory damages and \$30,000.00 in punitive damages.

Respondents sought dismissal of Claimants' claims in their entirety.

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.

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, jointly and severally, are liable to and shall pay Claimants the sum of \$25,832.00.

2. Claimants shall transfer their interests in VOR, Three Star and Beckham joint ventures to Respondents, jointly or severally, as Respondents elect. Respondents shall prepare all transfer documents at Respondents' expense. Claimants assign to Respondents all proceeds from litigation in connection with these three investments brought by Respondents.
3. Claimants' claims for punitive damages and interest are denied.
4. All parties shall bear own costs including attorney's fees and expert fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed against Claimants and Respondents:

Three (3) Full Panel Pre-Hearing Conferences @ \$500.00/Session:	= \$1,500.00
Ten (10) Hearing Sessions @ \$500.00/Session:	= \$5,000.00
Total Forum Fees Assessed:	= \$6,500.00
Claimants assessed one Hearing Session @ \$500.00/Session	= \$500.00
Claimants' Credit for Hearing Session Deposit	= \$500.00
Claimants' Balance Due:	= \$0.00
Respondents, jointly and severally, assessed twelve Hearing Sessions @ \$500.00/Session:	= \$6,000.00
Respondents' Balance Due (jointly and severally):	= \$6,000.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name.....</u>	<u>Public / Industry</u>
Michael E. Friedman, Esq.	Public Arbitrator
Gwendolyn J. Bandt	Industry Arbitrator
David Zollman	Public Arbitrator

Concurring Arbitrators' Signatures



Michael E. Friedman, Esq.

Gwendolyn J. Bandt

David Zollman

Date of Service: 2 September 1997

CASE SUMMARY

Claimant alleged that Respondent committed fraud, misrepresentation and made unsuitable investment recommendations. Specifically, Claimant asserted that Respondent promised that a certain Twilight Production stock would double in price once Claimant purchased it, even though Respondent knew this to be untrue. Additionally, Claimant alleged that Respondent recommended a highly speculative stock, which was totally unsuitable given Claimant's age, sophistication and investment objectives.

Respondent did not submit an Answer to the NASD regarding this action.

RELIEF REQUESTED

Claimant sought the following damages:

1. Compensatory damages in the amount of \$34,016.00.
2. Interest at 9% per annum on the sum of \$34,016.00 which totals \$5,034.00.
3. Reimbursement of the filing fee of \$150.00 and Hearing Session Deposit of \$500.00 Claimant has submitted.
4. Attorney's fees in the amount of \$7,500.00.
5. Lost income on shares sold to raise cash for 4,000 shares of Twilight, lost interest from savings withdrawn for that purpose and lost appreciation of shares sold, for a total to be ascertained at the hearing.
6. Punitive damages in the amount of \$39,050.00.

Respondent did not submit an Answer to the NASD regarding this action.

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.

Claimant provided proof of service that Respondent had been personally served on April 7, 1997, with the Statement of Claim and all initial NASD supporting documentation that goes out to every Respondent involved with an arbitration.

Respondent also participated in a telephonic pre-hearing conference regarding this arbitration on June 23, 1997.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Michael E. Friedman, Esq.	Public Arbitrator
Gwendolyn J. Bandt	Industry Arbitrator
David Zollman	Public Arbitrator

Concurring Arbitrators' Signatures

Michael E. Friedman, Esq.

nt of the filing fee of \$150.00 and ...
ment has submitted

in the amount of \$2,500.00

Gwendolyn J. Bandt

in shares sold to raise cash for 4,000 shares of ...
...
...

David Zollman

Date of Service: 2 September 1997

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Michael E. Friedman, Esq.	Public Arbitrator
Gwendolyn J. Bandt	Industry Arbitrator
David Zollman	Public Arbitrator

Concurring Arbitrators' Signatures

Michael E. Friedman, Esq.

Gwendolyn J. Bandt

David Zollman
David Zollman

Date of Service: 2 September 1997