

DIAT

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

The Brewster Family Living Trust
Warren E. and Fern H. Brewster

96-02979

Name of Respondents

Retirement Investment Group
Sunpoint Securities, Inc.
Aragon Financial Services, Inc.
Signal Securities, Inc.
Thomas Cannon
Gail Ann Gentry
TEI Strategies, Inc.

REPRESENTATION

For Claimants: Jeffrey P. Coleman, Esq., Clearwater, Florida.

For Respondent Retirement Investment Group ("RIG"): James Thornton of RIG.

For Respondent Sunpoint Securities, Inc. ("Sunpoint"): Eric Lee, Esq., Ft. Lauderdale, Florida.

For Respondent Aragon Financial Services, Inc. ("Aragon"): John Hagen of Aragon.

For Respondent Signal Securities, Inc. ("Signal"): Kelley B. Hill, Esq., Fort Worth, Texas.

Respondent Thomas Cannon ("Cannon") appeared pro se.

Respondent Gail Ann Gentry ("Gentry") did not appear.

Respondent TEI Strategies, Inc. ("TEI") did not appear.

CASE INFORMATION

Statement of Claim filed: July 12, 1996.

Claimants' Joint Submission Agreement signed on: July 3, 1996.

Statement of Answer filed by Respondent Cannon on: November 7, 1996.

Respondent Cannon's Submission Agreement signed on: October 17, 1996.

Respondent Sunpoint's Submission Agreement signed on: September 24, 1996.

Respondent Sunpoint did not file a Statement of Answer.

Respondents RIG, Aragon, Signal, Gentry and TEI did not file Statements of Answer or submit executed Submission Agreements.

HEARING INFORMATION

Two telephonic pre-hearing conferences were conducted with the arbitration panel on September 26, 1997 and October 13, 1997.

CASE SUMMARY

Claimants alleged that they were led to believe through fraudulent and/or negligent misrepresentations, that the advice they were receiving was in their best interests and that their investments, as per their requests, would be financially sound and conservative. Claimants alleged that in reality, the purchases of extremely risky limited partnerships were only the beginning of an ongoing tragedy, marked throughout with deceit and false promises.

Respondent Cannon maintained that he did not recommend to Claimants or purchase on behalf of Claimants any unsuitable investments, did not exceed his authority in trading on behalf of Claimants, did not excessively trade or "churn" Claimants' accounts, did not make fraudulent or negligent misrepresentations of any type to Claimants, did not breach any fiduciary duty to Claimants, did not violate any NASD or NYSE rules in dealing with Claimants or engage in any negligence or gross negligence or misconduct of any type in dealing with Claimants.

RELIEF REQUESTED

Claimants requested damages, jointly and severally, against the Respondents as follows: compensatory damages in the sum of \$380,981.72, inclusive of interest; punitive damages in the sum of \$150,000.00; costs, expenses and disbursements; the filing fee paid to NASD Regulation, Inc. and all forum fees advanced; and, such other and further relief as the arbitration panel deemed just and proper.

Respondent Cannon requested that he be relieved from paying Claimants any damages, including any alleged actual damages, interest, costs of arbitration or attorneys' fees and that he be awarded any and all other further relief that the panel deemed just and proper. Respondent Cannon further requested that all references to this arbitration be expunged from his CRD record.

OTHER ISSUES CONSIDERED & DECIDED

Prior to the commencement of the evidentiary hearing, NASD Regulation, Inc. was informed that the Claimants had dismissed this matter with prejudice and requested that this arbitration be expunged from the CRD record of Respondent Cannon.

AWARD

After considering the pleadings and the Motion to Expunge, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

The Motion to Expunge all references to this arbitration from the CRD record of Respondent Thomas Cannon is granted.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure the Panel has assessed forum fees in the sum of \$2,000.00 (two pre-hearing conferences x \$1,000.00).

1. Claimants are hereby assessed \$2,000.00 for which NASD Regulation, Inc. shall retain the \$1,000.00 hearing session deposit previously deposited by the Claimants in partial satisfaction thereof, leaving a balance due in the sum of \$1,000.00.

2. NASD Regulation, Inc. shall retain the \$250.00 claim filing fee previously deposited by the Claimants.

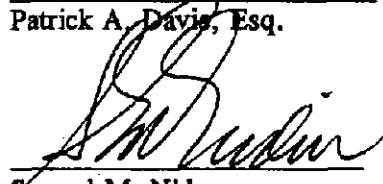
Fees are payable to National Association of Securities Dealers Regulation, Inc.

Concurring Arbitrators' Signatures

Public/Industry

Patrick A. Davis, Esq.

Public



Samuel M. Niden

Industry

Patricia Gunn, CPA

Public

Date of Decision: _____

12-9-97

The Motion to Expunge all references to this arbitration from the CRD record of Respondent Thomas Cannon is granted.

FORUM FEES

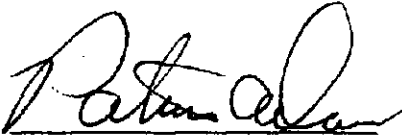
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Concurring Arbitrators' Signatures



Patrick A. Davis, Esq.

Public/Industry

Public

Samuel M. Niden

Industry

Patricia Gunn, CPA

Public

Date of Decision: December 10, 1997