

AWARD

NASD REGULATION INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Glenn Teuber, as Executor of the Estate of Charles W. Hall and as Trustee of the Charles W. Hall Trust, dated 2/1/85

v.

Arbitration No.
96-04152

Name of Respondents

Pacific Coast Financial Securities, Inc., Douglas E. Ashman, Thomas Gans, John M. Kliminski, Don Morandini

REPRESENTATION

For Claimant:

Jonathan W. Evans, Esq.
Attorney at Law
Los Angeles, California

For Respondent Pacific Coast Financial
Securities, Inc.:

Custodian of Records
Huntington Beach, California

For Respondent Douglas E. Ashman:

Douglas E. Ashman
In Pro Per
Laguna Niguel, California

For Respondent Thomas Gans:

Thomas Gans
In Pro Per
Long Beach, California

For Respondent John M. Kliminski:

John M. Kliminski
In Pro Per
Long Beach, California

For Respondent Don Morandini:

Don Morandini
In Pro Per
Long Beach, California

CASE INFORMATION

Statement of Claim filed: September 13, 1996
Claimant's Submission Agreement filed: September 9, 1996
Statement of Answer filed by Respondent
Pacific Coast Financial Securities, Inc., Thomas
Gans and Don Morandini: December 23, 1996

HEARING INFORMATION

Pre-Hearing Conference Date/Session: June 4, 1997
Hearing Dates/Sessions: November 13, 1997 (1 session)
Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged Respondents committed negligence, misrepresentation, fraud, failure to supervise, breach of fiduciary duty, and violations of Federal Securities Laws and the NASD Rules of Fair Practice in connection with the purchase of unsuitable investments for Claimant, given his stated goals, objectives and customer profile.

Respondents Pacific Coast Financial Securities, Inc., Thomas Gans and Don Morandini denied each and every allegation contained in Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant sought the following relief:

1. Compensatory damages in the amount of \$30,000.00;
2. Disgorgement of commissions;
3. Rescission of the purchase of the Limited Partnerships;
4. Reasonable rate of return on the principal sum Claimant invested;
5. Interest at the legal rate of 10% from the date the investments were purchased;
6. Punitive damages;
7. Costs and reasonable attorney's fees.

Respondents Pacific Coast Financial Securities, Inc., Thomas Gans and Don Morandini sought dismissal of Claimant's Statement of Claim, 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 received conformed copies of the Award while the original remains on file with the NASD Regulation, Inc., Office of Dispute Resolution.

The arbitration was stayed as to Respondent Thomas Gans, due to his bankruptcy filing on September 19, 1997.

During the arbitration proceeding, Respondent John Kliminski was dismissed without prejudice by the Claimant.

Due to a finding of improper service, the arbitration panel dismissed without prejudice Respondent Douglas Ashman from the proceeding.

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. and Don Morandini, jointly and severally, are liable to and shall pay Claimant the sum of \$23,842.00 in compensatory damages.
2. Respondents Pacific Coast Financial Securities, Inc. and Don Morandini, jointly and severally, are liable to and shall pay Claimant the sum of \$1,162.50 in expert fees.
3. Claimant's claim for interest is denied.
4. Respondents Pacific Coast Financial Securities, Inc. and Don Morandini, jointly and severally, are liable to and shall pay Claimant the sum of \$1,200.00 as the reasonable return on Charles Hall's investments.
5. Claimant's claim for punitive damages is denied.
6. Claimant's claim for attorney's fees is denied.
7. Upon receipt of payment in full of the amounts awarded herein, Claimant shall quitclaim to the paying Respondents, any and all of his interest in Beacon Income Funds IV and X Limited Partnerships.

FORUM FEES

Pursuant to Rule 10332(e) of the Code of Arbitration Procedure, the following forum fees are assessed against Respondents Pacific Coast Financial Services, Inc. and Don Morandini:

One (1) Pre-Hearing Conference @ \$400.00/Session	= \$400.00
One (1) Hearing Session @ \$400.00/Session	= \$400.00
<u>Claimant's Initial Filing Fee</u>	<u>= \$120.00</u>
Total Forum Fees Assessed	= \$920.00

Respondents Pacific Coast Financial Securities, Inc. and Don Morandini, jointly and severally, amount due	= \$920.00
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Claimant's Filing Fee and Hearing Session Deposit in the amount of \$520.00 shall be refunded by NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Kenneth E. Owen, Esq.	Public Arbitrator
Harriett A. Kottick, CFP	Industry Arbitrator
Ronald L. Cameron	Public Arbitrator

Concurring Arbitrator's Signatures



Kenneth E. Owen, Esq.

Harriett A. Kottick, CFP

Ronald L. Cameron

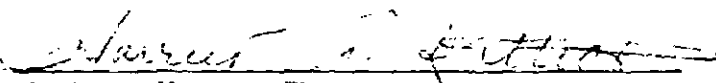
Date of Service: 6-January 1998

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
Kenneth E. Owen, Esq.	Public Arbitrator
Harriett A. Kottick, CFP	Industry Arbitrator
Ronald L. Cameron	Public Arbitrator

Concurring Arbitrator's Signatures

Kenneth E. Owen, Esq.



Harriett A. Kottick, CFP

Ronald L. Cameron

Date of Service: 6 January 1973

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<u>Name</u>	<u>Public/Industry</u>
Kenneth E. Owen, Esq.	Public Arbitrator
Harriett A. Kottick, CFP	Industry Arbitrator
Ronald L. Cameron	Public Arbitrator

Concurring Arbitrator's Signatures

Kenneth E. Owen, Esq.

Harriett A. Kottick, CFP



Ronald L. Cameron

Date of Service: 6 January 1993