

9712081

**AWARD**

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

In the matter of the Arbitration Between

**Name of Claimant(s)**

Anthony Alvarado  
Lorraine Alvarado

v.

Arbitration No.  
96-04571

**Name of Respondent(s)**

The Trading Desk, Inc.  
Jerry Manning

**REPRESENTATION**

For Claimants: Scot Bernstein, Esq., Sacramento, California.

For Respondents: William Rapson, Esq., Slivka, Robinson, Waters & O'Dorisio, Denver, Colorado.

**CASE INFORMATION**

Statement of Claim filed on October 14, 1996.

Claimants' Submission Agreement signed on October 15, 1996.

Respondents' Statement of Answer filed on March 24, 1997.

Respondents' Submission Agreement signed on March 20, 1997.

**HEARING INFORMATION**

The hearing was held in San Francisco, California, as follows:

October 6, 1997 - 2 sessions  
October 7, 1997 - 1 session

### **CASE SUMMARY**

Claimant alleged that Respondents solicited and recommended their investment in promissory notes issued by Towers Financial Corporation. Claimants alleged the offering was not conducted in the manner required to qualify for registration and qualification requirement exemptions. Claimants further alleged misrepresentations were made in the solicitation of the investment. Claimants also alleged fraud, negligence, breach of contract, and breach of fiduciary duty.

Respondents denied the allegations of wrongdoing, and asserted that Claimants' allegations arise from a fraud perpetrated by Towers Financial Corporation. Respondents stated that they are not liable for Towers Financial Corporation's fraud. Respondents further denied the truth of Claimants' assertions regarding the exemption status of the notes.

### **RELIEF REQUESTED**

Claimants requested rescission of their investments or compensatory damages of \$147,800.00, plus interest, punitive damages, costs of arbitration and attorney's fees.

Respondents requested dismissal of all claims.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The parties have agreed to receive conformed copies of the Award while the originals remain on file with NASDR, Inc.

### **AWARD**

After considering the pleadings, the testimony and the evidence presented at the hearing, and the post-hearing briefs, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims, including the claim for punitive damages, are dismissed in their entirety.
2. The parties shall bear their respective costs, including attorney's fees.

9/11/97

**FORUM FEES**

Pursuant to Section 10332 of the Code of Arbitration Procedure, the NASDR shall retain the Claimants' \$200.00 non-refundable filing fee.

Forum fees are assessed as follows:

Total fees:

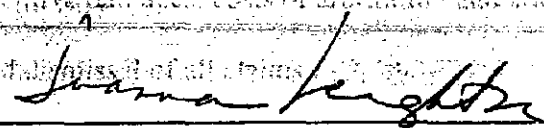
3 hearing sessions @ \$750/session	\$ 2250.00
Claimants' one-half share	\$ 1125.00
Credit for deposit	<u>\$ 750.00</u>
Balance Due:	<u>\$ 375.00</u>

Respondents' joint and several one-half share	<u>\$ 1125.00</u>
---	-------------------

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

**Concurring Arbitrators' Signatures:**

**Date signed:** 11-20-97

  
Joanna Leighton, Esq.  
Presiding Chairperson  
Public Arbitrator

\_\_\_\_\_  
Richard S. Haas, Esq.  
Public Arbitrator

\_\_\_\_\_  
Allan B. Currie, Esq.  
Securities Industry Arbitrator

Date served: 12/2/1997

## **FORUM FEES**

Pursuant to Section 10332 of the Code of Arbitration Procedure, the NASDR shall retain the Claimants' \$200.00 non-refundable filing fee.

Forum fees are assessed as follows:

Total fees:

3 hearing sessions @ \$750/session \$ 2250.00

Claimants' one-half share \$ 1125.00

Credit for deposit \$ 750.00

Balance Due: \$ 375.00

Respondents' joint and several one-half share \$ 1125.00

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

**Concurring Arbitrators' Signatures:**

**Date signed:**

Joanna Leighton, Esq.  
Presiding Chairperson  
Public Arbitrator

Richard S. Haas  
Richard S. Haas, Esq.  
Public Arbitrator

11/21/97

Allan B. Currie, Esq.  
Securities Industry Arbitrator

Date served: 12/2/1997

200

### **FORUM FEES**

Pursuant to Section 10332 of the Code of Arbitration Procedure, the NASDR shall retain the Claimants' \$200.00 non-refundable filing fee.

Forum fees are assessed as follows:

Total fees:

3 hearing sessions @ \$750/session	\$ 2250.00
Claimants' one-half share	\$ 1125.00
Credit for deposit	<u>\$ 750.00</u>
Balance Due:	<u>\$ 375.00</u>

Respondents' joint and several one-half share	<u>\$ 1125.00</u>
---	-------------------

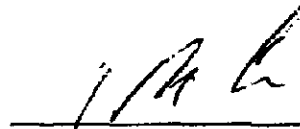
**Fees are payable to the National Association of Securities Dealers Regulation, Inc.**

Concurring Arbitrators' Signatures:

Date signed: \_\_\_\_\_

\_\_\_\_\_  
Joanna Leighton, Esq.  
Presiding Chairperson  
Public Arbitrator

\_\_\_\_\_  
Richard S. Haas, Esq.  
Public Arbitrator

  
\_\_\_\_\_  
Allan B. Currie, Esq.  
Securities Industry Arbitrator

Date served: 12/2/1997