

1/96

AWARD

**NASD Regulation, Inc.,
Office of Dispute Resolution**

In the Matter of the Arbitration Between

Ed Carlton and
Mary Carlton

Claimants

NASD Regulation, Inc.
No. 96-04592

v.

Steven Goldstein and
S.G. Financial Group, Ltd.

Respondents

REPRESENTATION OF PARTIES

Ed and Mary Carlton ("Claimants") were represented by Scot D. Bernstein, Esq., Law Offices of Scot D. Bernstein, Sacramento, California.

Steven Goldstein and S.G. Financial Group ("Respondents") were represented by Robert Gonser, Esq., Resolution Law Group, Lafayette, California.

CASE INFORMATION

Claimants' Statement of Claim was filed on or about October 14, 1996.

Ed and Mary Carlton's Submission Agreement was signed on October 4, 1996.

Respondents' Statement of Answer was filed on or about May 15, 1997.

Steven Goldstein's Submission Agreement was signed on May 16, 1997.

HEARING INFORMATION

Pre-hearing conferences were held on September 11, 1997 and November 24, 1997. Each lasted one session.

The hearing was held on December 16, 1997 in San Francisco, California for a total of 2 sessions.

CASE SUMMARY

Claimants allege that the Respondents actions during the sale of the Towers notes lead to the following causes of action: common law fraud and Federal and State Securities fraud; negligence; breach of contract; breach of fiduciary duty; and statutory rescission.

Respondents requested that the panel dismiss all claims.

RELIEF REQUESTED

Claimant requested an award in an amount between \$10,000 and \$30,000 for actual damages, plus unspecified amounts of interest, attorneys' fees, punitive damages and other statutory damage enhancement.

OTHER ISSUES CONSIDERED & DECIDED

Respondent S.G. Financial Group, Ltd. did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to §10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and testified at the hearing is bound by the determination of the arbitration panel on all issues submitted.

The parties have agreed that a handwritten, signed Award may be entered. The parties have agreed to receive conformed copies of the award while the original remains on file with 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. Each and every claim made in the Statement of Claim is denied;
2. Claimants' request for punitive damages is denied;
3. Each party to bear their own costs and expenses.

FORUM FEES

Forum fees are calculated at the rate of \$400 per hearing session and \$300 for each pre-hearing conference, if any. There were 3 hearing sessions x \$400 plus 1 pre-hearing conference x \$300 = \$1,500 in forum fees. Pursuant to §10332(b) of the NASD Regulation, Inc., Office of Dispute Resolution Code of Arbitration Procedure (the "Code"), a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less. Pursuant to §10332(c) of the Code of Arbitration Procedure, the parties shall divide the forum fees 50%-50%, with the claimants bearing 50%, and the respondents jointly and severally bearing 50%.

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Total Fees	
3 Hearing Sessions @ \$400.00 =	\$1,200.00
1 Pre-hearing Conference @\$300.00=	\$ 300.00
Total	<u>\$1,500.00</u>

Claimant's 1/2 share	\$750.00
Claimant's credit for deposit	<u>\$400.00</u>
Claimant's balance	\$350.00

Respondents' 1/2 share	<u>\$750.00</u>
Respondent's Balance	\$750.00

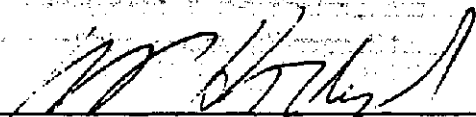
Pursuant to §10332(c) of the Code, NASD Regulation, Inc. shall retain the non-refundable filing fee in the amount of \$100 and shall retain as forum fees the hearing session deposit in the amount of \$400 previously deposited with NASD Regulation, Inc. by the Claimants.

Pursuant to §10333 of the Code, the NASD shall retain the member surcharge fee in the amount of \$200 due and owing from S.G. Financial Group, Ltd..

Fees are payable to the NASD, Regulation, Inc.

Dated:

1/3/98


Walter P. Hitchcock, Esq.
Public Arbitrator, Presiding Chair

Richard R. Krivcher
Public Arbitrator

Frank Weaver, Esq.
Industry Arbitrator

Date Served: January 6, 1998

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NASD Arbitration No. 96-04392
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Respondent's Balance	\$750.00

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Fees are payable to the NASD, Regulation, Inc.

Dated:

Walter P. Hitchcock, Esq.
Public Arbitrator, Presiding Chair



Richard R. Krivcher
Public Arbitrator

12/30/97

Frank Weaver, Esq.
Industry Arbitrator

Date Served: January 6, 1998

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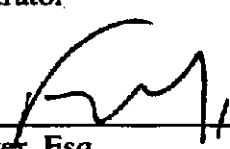
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Dated:

Walter P. Hitchcock, Esq.
Public Arbitrator, Presiding Chair

Richard R. Krivcher
Public Arbitrator



Frank Weaver, Esq.
Industry Arbitrator

Date Served: January 6, 1998