

12/29 911209
AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant(s)

Stephen T. Turley

Arbitration
No. 96-04927

Name of Respondent(s)

Gateway Financial Group, Inc. (now known
as The Agean Group, Inc.)
Richard Coates

REPRESENTATION

For Claimant: Dennis R. Villavicencio, Esq., Law Offices of John Lawrence Allen, Carlsbad, California

For Respondent Gateway Financial Group, Inc.: Neil S. Baritz, Esq., Dreier & Baritz, Boca Raton, Florida

CASE INFORMATION

Statement of Claim filed: October 20, 1996

Claimant's Submission Agreements signed: October 22, 1996 and December 7, 1996

Statement of Answer and Cross-Claim filed by Respondent Gateway Financial Group, Inc.: January 31, 1997

Submission Agreement signed by Respondent Gateway Financial Group, Inc. (now known as The Agean Group, Inc.): February 4, 1997

Respondent Richard Coates did not file a Statement of Answer. However, he is subject to NASD Regulation, Inc. (NASDR) jurisdiction in accordance with Section 10301 of the NASDR Code of Arbitration Procedure.

7/1/2007

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s):

July 28, 1997 (one session)

October 6, 1997 (one session)

Hearing Date(s)/Session(s): October 20, 1997 (two sessions)

Hearing Location: San Diego, California

CASE SUMMARY

Referencing his investment in IDEC Pharmaceuticals Corp. stock, Claimant alleged that he is seeking recovery of a \$12,453.00 loss and all related fees and interest resulting from the non-execution of a Stop Loss Order.

Respondent Gateway Financial Group, Inc. (now known as The Agean Group, Inc. (Agean)) denied any knowledge of the claims asserted by Claimant and further denied any responsibility for the alleged losses incurred by Claimant. Respondent Agean alleged that Claimant was a customer of Co-Respondent Richard Coates and dealt exclusively with Mr. Coates on all matters alleged in the Claim. Respondent Agean further alleged that Claimant was a party to a Customer Agreement which provides that there are no stop orders for over-the-counter transactions and that Claimant knew or should have known that a stop loss order could not be entered for an over-the-counter transaction. Respondent Agean further alleged that Claimant never directed Agean or any of its employees to execute a stop loss order with respect to his short position in IDEC Pharmaceuticals and if he had, he would have been advised that it was not possible to place such an order. Respondent Agean also asserted affirmative defenses.

Respondent Agean asserted a Cross-Claim against Mr. Coates and alleged that Agean is entitled, as a matter of law, to be indemnified by and/or seek contribution from Respondent Coates as a result of any and all damages, claims, assessments or costs it incurs in connection with Claimant's claims.

RELIEF REQUESTED

At hearing, Claimant requested damages in the amount of \$17,174.00 plus interest, costs and attorney's fees.

Respondent Agean requested dismissal of Claimant's Claim and requested an award of fees and costs and/or an appropriate award for indemnification and/or contribution against Respondent Coates.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Richard Coates did not appear at the hearing. The panel determined that service was properly effectuated with respect to Mr. Coates and ruled to proceed in Mr. Coates' absence.

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 originals remain on file with NASDR.

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 Gateway Financial Group, Inc. (now known as The Agean Group, Inc.) and Richard Coates are jointly and severally liable for and shall pay to Claimant the sum of \$18,000.00. The award amount includes attorney's fees.
2. Respondent Richard Coates shall indemnify Respondent The Agean Group, Inc. for all sums paid to Claimant by The Agean Group, Inc. in connection with this award.
3. The parties shall each bear their respective costs of this proceeding, except forum fees, indicated below.

FORUM FEES

Pursuant to Section 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed: NASDR shall refund the \$400.00 hearing session deposit previously deposited by the Claimant and shall retain the \$600.00 hearing session deposit previously deposited by The Agean Group, Inc. Forum fees are assessed against Respondents, jointly and severally, in the amount of \$900.00, and are calculated as follows: One pre-hearing session times \$400.00, plus one pre-hearing session times \$300.00, plus two hearing sessions times \$400.00, minus the \$600.00 retained by NASDR. Respondent Richard Coates shall indemnify The Agean Group, Inc. for all forum fees paid by The Agean Group, Inc.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

Name Public / Industry

Joel G. Selik, Esq.

Public Arbitrator

Lawrence P. Scherb, II, Esq.

Public Arbitrator

M. LaRae Bakerink

Industry Arbitrator

Concurring Arbitrators' Signatures


Joel G. Selik, Esq.

Lawrence P. Scherb, II, Esq.

M. LaRae Bakerink

Date of Decision: _____

Date served: 12/18/1997

ARBITRATORS

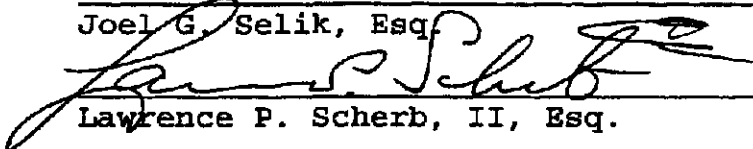
Name Public / Industry

Joel G. Selik, Esq.
Lawrence P. Scherb, II, Esq.
M. LaRae Bakerink

Public Arbitrator
Public Arbitrator
Industry Arbitrator

Concurring Arbitrators' Signatures

Joel G. Selik, Esq.



Lawrence P. Scherb, II, Esq.

M. LaRae Bakerink

Date of Decision: 12-7-97

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Date served: 12/18/1997

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Joel G. Selik, Esq.	Public Arbitrator
Lawrence P. Scherb, II, Esq.	Public Arbitrator
M. LaRae Bakerink	Industry Arbitrator

Concurring Arbitrators' Signatures

Joel G. Selik, Esq.

Lawrence P. Scherb, II, Esq.



M. LaRae Bakerink

Date of Decision: _____

Date served: 12/18/1997