

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Joseph and Karen Soderberg, Claimants v. Maidstone Financial, John Michael Palermo, and
Briarwood Investment Counsel/Michael Scott and Co., Respondents.

Case Number: 98-00070

Hearing Site: Las Vegas, Nevada

REPRESENTATION OF PARTIES

For Claimants:

Joseph Soderberg
In Pro Per
Las Vegas, Nevada

For Respondent, Briarwood Investment Counsel/
Michael Scott and Co.:

Michael P. Gilmore, Esq.
Wexler & Burkhart, P.C.
Mitchel Field, New York

For Respondent John Michael Palermo:

John Michael Palermo
In Pro Per
Holbrook, New York

CASE INFORMATION

Statement of Claim filed: January 7, 1998

Claimants' Uniform Submission Agreement signed: January 7, 1998

Statement of Answer filed by Respondent, John Michael Palermo: April 1, 1998

CASE SUMMARY

Claimants alleged unauthorized trading.

Respondents denied each and every allegation of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested compensatory damages of \$26,279.80.

Respondent, Briarwood Investment Counsel/Michael Scott and Co., requested dismissal of the Claimants' Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents, Maidstone Financial, John Michael Palermo, and Briarwood Investment Counsel/Michael Scott and Co., did not file with the NASD Regulation, Inc., Office of Dispute Resolution a properly executed Uniform Submission Agreement to arbitrate, but they are required to submit to arbitration pursuant to the Code.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the evidence presented at the hearing, and the post-hearing submissions if applicable, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent, Briarwood Investment Counsel/Michael Scott and Co.'s Motion to Dismiss is granted.
2. Panel rules against Respondents John Michael Palermo and Maidstone Financial, and in favor of Claimants. However, Claimants failed to carry their burden to prove damages, if any. Thus, the Panel awards in favor of Claimants the sum of zero dollars.
3. Each party shall bear its own costs of arbitration, including attorney's fees.
4. All relief requested and not granted is expressly denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. has received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 100.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the event of the dispute. In this matter member firm, Briarwood Investment Counsel/Michael Scott and Co., is a party.

Member Surcharge	= \$ 600.00
Pre-Hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,200.00

Because Respondent, Maidstone Financial, was not a member firm at the time of the claim, the member fees for Maidstone Financial have been waived.

Adjournment Fees

The following adjournment fees are assessed:

October 14, 1998, adjournment requested by Claimant:	= \$ 400.00
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Forum Fees and Assessments

The Arbitrator Chair or Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair or Panel. The following fees are assessed:

Four Pre-hearing conference sessions with the Panel @ \$ 400.00 = \$1,600.00

Pre-hearing conferences:	July 10, 1998	1 session
	October 14, 1998	1 session
	April 16, 1999	1 session
	June 11, 1999	1 session

Two Hearing sessions @ \$ 400.00 = \$ 800.00

Hearings:	September 13, 1999	2 sessions
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Total Forum Fees = \$2,400.00

1. The Arbitration Panel has assessed \$1,200.00 of the forum fees; jointly and severally to Claimants, Joseph and Karen Soderberg.
2. The Arbitration Panel has assessed \$1,200.00 of the forum fees to Respondent, John Michael Palermo.

Fee Summary

1. Claimants, Joseph and Karen Soderberg, are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 100.00
Forum Fees	= \$1,200.00
Total Fees	= \$1,300.00
Less payments	= \$ 500.00
Balance Due NASD Regulation, Inc.	= \$ 800.00

2. Respondent, Maidstone Financial, is charged with the following fees and costs:

Member Fees	= \$2,200.00
Total Fees	= \$2,200.00
Less payments	= \$ 0.00
Less waiver	= \$2,200.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

3. Respondent, John Michael Palermo is charged with the following fees and costs:

<u>Forum Fees</u>	= \$1,200.00
<u>Total Fees</u>	= \$1,200.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Regulation, Inc.	= \$1,200.00

4. Respondent, Briarwood Investment Counsel/Michael Scott and Co. is charged with the following fees and costs:

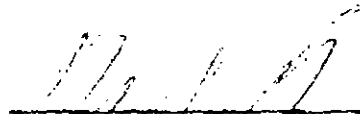
<u>Member Fees</u>	= \$2,200.00
<u>Total Fees</u>	= \$2,200.00
<u>Less payments</u>	= \$ 103.74
Balance due NASD Regulation, Inc.	= \$2,096.26

5. Respondents, Maidstone Financial and John Michael Palermo are charged jointly and severally with the following fees and costs:

<u>Adjournment Fee</u>	= \$ 400.00
Balance due NASD Regulation, Inc.	= \$ 400.00

All balances are payable to NASD Regulation, Inc. and are due within 30 days of the award's date of service.

Concurring Arbitrators' Signatures



M. Nelson Segel, Esq.
Chair, Public Arbitrator

Signature Date

Ronald W. Kase, Esq.
Public Arbitrator

Signature Date

Steven A. Budin
Industry Arbitrator

Signature Date

Date of Service

NASD Regulation, Inc. Office of Dispute Resolution
Arbitration No. 98-00370
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M. Nelson Segel, Esq.
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Signature Date

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Public Arbitrator

Signature Date

Steven A. Budin
Industry Arbitrator

Signature Date

Date of Service

NASD Regulation, Inc. Office of Dispute Resolution
Arbitration No. 98-00070
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Concurring Arbitrators' Signatures

M. Nelson Segel, Esq.
Chair, Public Arbitrator

Signature Date

Ronald W. Kase, Esq.
Public Arbitrator

Signature Date


Steven A. Budin
Industry Arbitrator

Signature Date

October 1, 1999
Date of Service