

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Cynthia, Steven, and Robyn Slater, (Claimants) vs. Gilford Securities, Inc. and Robert Goodfriend, (Respondents)

Case Number: 99-00238

Hearing Site: New York, NY

REPRESENTATION OF PARTIES

Claimants, Cynthia, Steven, and Robyn Slater, hereinafter collectively referred to as "Claimants": Marc S. Gottlieb, Esq., Beckman, Millman & Sanders, LLP, New York, NY.

Respondents, Gilford Securities, Inc. ("Gilford") and Robert Goodfriend ("Goodfriend"), hereinafter collectively referred to as "Respondents": Joel Levinson, Esq., General Counsel, Gilford Securities, Inc., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: January 14, 1999.

Cynthia Slater signed the Uniform Submission Agreement: December 28, 1998.

Steven Slater signed the Uniform Submission Agreement: December 28, 1998.

Robyn Slater signed the Uniform Submission Agreement: December 28, 1998.

Statement of Answer filed by Respondents on or about: April 1, 1999.

Gilford signed the Uniform Submission Agreement: April 1, 1999.

Goodfriend did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; suitability; failure to supervise; breach of implied covenant of good faith and fair dealing; fraud, misrepresentation and negligent misrepresentation; and, unauthorized trading and failure to execute.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants failed to state a claim upon which relief may be granted; Claimants authorized all trades in their accounts; Claimants' claims are barred by the statute of limitations; the doctrine of ratification; the doctrine of estoppel; the doctrine of waiver; Respondents acted in good faith; Claimants failed to mitigate their damages; and, any damages suffered by Claimants were caused, in

whole or in part, by the primary, active and affirmative negligence, carelessness, assumption of risk and/or other culpable conduct of Claimants.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$107,000.00
Punitive Damages	\$ 50,000.00
Interest	unspecified
Attorneys' Fees	unspecified

Respondents requested an award dismissing the Statement of Claim in its entirety and that this matter be expunged from the CRD record of Goodfriend.

OTHER ISSUES CONSIDERED AND DECIDED

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 testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents be and hereby are jointly and severally liable for and shall pay to Claimants the sum of \$73,699.50 in compensatory damages as follows:
 - (a) Cynthia Slater \$34,956.50
 - (b) Steven Slater \$19,371.50
 - (c) Robyn Slater \$19,371.50
2. Respondents be and hereby are jointly and severally liable for and shall pay to Claimants interest at the rate of 9% per annum accruing from March 10, 2000 to the date the award is paid.
3. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 200.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Gilford Securities, Inc. is a party.

Member surcharge = \$ 1,500.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$ 2,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$750.00 = \$ 750.00
Pre-hearing conference: November 16, 1999 1 session

Seven (7) Hearing sessions x \$750.00 = \$ 5,250.00
Hearing Dates: February 28, 2000 2 sessions
March 2, 2000 3 sessions
March 10, 2000 2 sessions

Total Forum Fees = \$ 6,000.00

The Panel has assessed \$6,000.00 of the forum fees against Gilford.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 200.00
<u>Total Fees</u>	= \$ 200.00
<u>Less payments</u>	= \$ 950.00
<u>Refund Due Claimant</u>	= \$ 750.00

2. Gilford be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 4,600.00
<u>Forum Fees</u>	= \$ 6,000.00
<u>Total Fees</u>	= \$10,600.00
<u>Less payments</u>	= \$ 4,600.00
<u>Balance Due NASD Regulation, Inc.</u>	= \$ 6,000.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Peter H. Boyd
Public Arbitrator, Presiding Chair

Signature Date

Albert F. Reegen
Public Arbitrator

Signature Date

Laurie A. Giolito, Esq.
Industry Arbitrator

Signature Date

April 28, 2000

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Peter H. Boyd
Public Arbitrator, Presiding Chair

Signature Date


Albert F. Reegen
Public Arbitrator

03/25/00
Signature Date

Laurie A. Giolito, Esq.
Industry Arbitrator

Signature Date

April 28, 2000

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

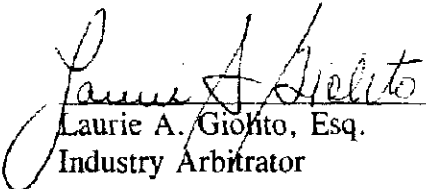
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Peter H. Boyd
Public Arbitrator, Presiding Chair

Signature Date

Albert F. Reegen
Public Arbitrator

Signature Date


Laurie A. Gioiuto, Esq.
Industry Arbitrator

26 March 2000
Signature Date

April 28, 2000

Date of Service (For NASD office use only)