

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Larry and Penny Seick, Claimants v. Financial Goal Securities, Inc., Kocen Financial Group, Inc., Gail G. Kocen, Bryan S. Kocen, Jo Ann Kocen, and Joel Kocen, Respondents.

Case Number: 99-00318

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

Philip Aidikoff, Esq.
Aidikoff & Uhl
Beverly Hills, California

For Respondents Financial Goal Securities, Inc.,
Gail G. Kocen, Bryan S. Kocen, Jo Ann Kocen,
and Joel Kocen:

Douglas B. Martin, Esq.
Law Offices of Douglas B. Martin
San Francisco, California

CASE INFORMATION

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| Statement of Claim filed: | January 21, 1999 |
| Claimant's Uniform Submission Agreement signed: | January 19, 1999 |
| Joint Statement of Answer filed by Respondents Financial Goal Securities, Inc., Gail G. Kocen, Bryan S. Kocen, Jo Ann Kocen and Joel Kocen: | April 20, 1999 |
| Respondent Financial Goal Securities, Inc.'s Uniform Submission Agreement signed: | April 20, 1999 |
| Respondent Gail G. Kocen's Uniform Submission Agreement signed: | April 20, 1999 |
| Respondent Bryan S. Kocen's Uniform Submission Agreement signed: | April 20, 1999 |
| Respondent Jo Ann Kocen's Uniform Submission Agreement signed: | April 20, 1999 |

Respondent Joel Kocen's Uniform Submission
Agreement signed:

April 20, 1999

CASE SUMMARY

Claimants alleged fraud, breach of fiduciary duty, failure to supervise, and violations of the dependent adult abuse law (§15610(b)(1) and (f) of the California Welfare and Institution Code). Claimants also alleged violations of state and federal securities laws, NASD Rules and NYSE Rules.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested \$435,000.00 in compensatory damages, punitive damages and reimbursement for opportunity costs, paid commissions, interest, costs of arbitration, and attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety, and reimbursement for costs of arbitration.

OTHER ISSUES CONSIDERED AND DECIDED

On April 20, 1999, Kocen Financial Group, a non-member firm, declined to voluntarily sign a submission agreement to submit to the jurisdiction of the NASD Arbitration Panel.

At the hearing on the merits, Claimants informed the Panel that they would not proceed against Respondent Kocen Financial Group, Inc.

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 Financial Goal Securities, Inc., Gail G. Kocen, Bryan S. Kocen, Jo Ann Kocen, and Joel Kocen are jointly and severally liable to and shall pay Claimants the sum of \$243,504.00 in compensatory damages
2. Respondents Financial Goal Securities, Inc., Gail G. Kocen, Bryan S. Kocen, Jo Ann Kocen, and Joel Kocen are jointly and severally liable to and shall pay Claimants the sum of \$50,000.00 in attorney's fees pursuant to California Welfare and Institution Code §15600 et seq.
3. Respondents Financial Goal Securities, Inc., Gail G. Kocen, Bryan S. Kocen, Jo Ann Kocen, and Joel Kocen are jointly and severally liable to and shall pay Claimants the sum of \$8,500.00 for expert witness fees.
4. Respondents Financial Goal Securities, Inc., Gail G. Kocen, Bryan S. Kocen, Jo Ann Kocen, and Joel Kocen are jointly and severally liable to and shall pay Claimants the sum of \$200.00 in reimbursement for the cost of filing this claim.
5. Claimants' claim for punitive damages is denied.
6. Each party shall bear its own costs, except where otherwise noted in this award.
7. All other relief requested and not expressly granted is 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:

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| Initial claim filing fee | = \$ 200.00 |
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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. Accordingly, the member firm Financial Goal Securities, Inc. is a party and the following fees are assessed:

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| Member Surcharge | = \$ 1,500.00 |
| Pre-Hearing process fee | = \$ 600.00 |
| <u>Hearing process fee</u> | <u>= \$ 2,500.00</u> |
| Total Member Fees | = \$ 4,600.00 |

Forum Fees and Assessments

The 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/Panel. The following fees are assessed:

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| One Pre-hearing conference session with the Panel @ \$750.00 | = \$ 750.00 |
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| Pre-hearing conference: | November 12, 1999 | 1 session |
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| Twelve Hearing sessions @ \$750.00 | = \$ 9,000.00 |
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| Hearings: | March 27, 2000 | 2 sessions |
| | March 28, 2000 | 2 sessions |
| | March 29, 2000 | 2 sessions |
| | March 30, 2000 | 2 sessions |
| | March 31, 2000 | 3 sessions |
| | April 7, 2000 | 1 sessions |

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| Total Forum Fees | = \$ 9,750.00 |
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The Arbitration Panel has assessed \$9,750.00 of the forum fees jointly and severally to Respondents Financial Goal Securities, Inc., Gail G. Kocen, Bryan S. Kocen, Jo Ann Kocen, and Joel Kocen.

Fee Summary

1. Claimants Larry and Penny Seick are charged jointly with the following fees and costs:

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| Initial Filing Fee | = \$ 200.00 |
| Total Fees | = \$ 200.00 |
| <u>Less payments</u> | <u>= \$(950.00)</u> |
| Refund Due Claimants | = \$ 750.00 |

2. Respondent Financial Goal Securities, Inc. is charged with the following fees and costs:

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| Member Fees | = \$ 4,600.00 |
| Total Fees | = \$ 4,600.00 |
| <u>Less payments</u> | <u>= \$(4,600.00)</u> |
| Balance Due NASD Regulation, Inc. | = \$ 0.00 |

3. Respondents, Financial Goal Securities, Inc., Gail G. Kocen, Bryan S. Kocen, Jo Ann Kocen, and Joel Kocen, are charged jointly and severally with the following fees and costs:

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| <u>Forum Fees</u> | <u>= \$ 9,750.00</u> |
| Balance Due NASD Regulation, Inc. | = \$ 9,750.00 |

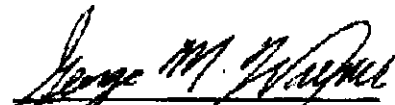
All balances are payable to NASD Regulation, Inc. and are due within 30 days of the award's date of service.

Concurring Arbitrators' Signatures



Sandra L. Malek, Esq.
Chair, Public Arbitrator

4-7-00
Signature Date



George M. Wiener, Esq.
Public Arbitrator

4/7/00
Signature Date



Curtis H. Baer
Non-Public Arbitrator

4/7/2000
Signature Date

4/7/2000
Date of Service