

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

John Kokshanian, Claimant v. Spectrum Securities, Inc. and John D. Hashimoto, Respondents

Case Number: 99-00932

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimants:

Michael C. Murphy, Esq.
Law Offices of
Michael C. Murphy
Burbank, California

CASE INFORMATION

Statement of Claim filed: February 19, 1999

Claimant's Uniform Submission Agreement signed: February 9, 1999

CASE SUMMARY

Claimant alleged negligence and breach of fiduciary duty by the Respondents in regards to loans made to Cognitive Communications Corp. and Altitude Products, Inc.

RELIEF REQUESTED

Claimant requested \$30,000, plus interest, costs of arbitration, and other unspecified relief.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondents were properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents Spectrum Securities, Inc. and John D. Hashimoto did not file with the NASD Dispute Resolution, Inc. a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

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

1. Respondents Spectrum Securities, Inc. and John D. Hashimoto are jointly and severally liable to and shall pay the Claimant John Kokshanian the sum of \$30,000.00.
2. Respondents Spectrum Securities, Inc. and John D. Hashimoto are jointly and severally liable to and shall pay the Claimant John Kokshanian interest at the rate of 10% per annum simple interest on the sum of \$10,000.00 from November 25, 1996 until the award is paid in full.
3. Respondents Spectrum Securities, Inc. and John D. Hashimoto are jointly and severally liable to and shall pay the Claimant John Kokshanian interest at the rate of 10% per annum simple interest on the sum of \$10,000.00 from July 29, 1997 until the award is paid in full.
4. Respondents Spectrum Securities, Inc. and John D. Hashimoto are jointly and severally liable to and shall pay the Claimant John Kokshanian interest at the rate of 10% per annum simple interest on the sum of \$10,000.00 from April 16, 1998 until the award is paid in full.
5. The parties shall each bear their respective costs, including attorneys' fees.
6. All relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 120.00
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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 Spectrum Securities, Inc. is a party and the following fees are assessed:

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

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 Panel. The following fees are assessed:

3 Pre-hearing conference sessions with the Panel @ \$400.00/session	= \$ 1,200.00
Pre-hearing conferences:	
May 9, 2000	1 session
June 9, 2000	1 session
June 15, 2000	1 session
1 Hearing session @ \$400.00/session	= \$ 400.00
Hearing:	
July 19, 2000	1 session
Total Forum Fees	= \$ 1,600.00

The Arbitration Panel assessed \$1,600.00 of the forum fees jointly and severally to Respondents Spectrum Securities, Inc. and John D. Hashimoto.

Fee Summary

1. Claimant, John Kokshanian, is charged with the following fees and costs:

Initial Filing Fee	= \$ 120.00
<u>Less payments</u>	<u>= \$ (520.00)</u>
Refund Due Claimant John Kokshanian	= \$ (400.00)

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

Member Fees	= \$ 2,200.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,200.00

3. Respondents, Spectrum Securities, Inc. and John D. Hashimoto, are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,600.00

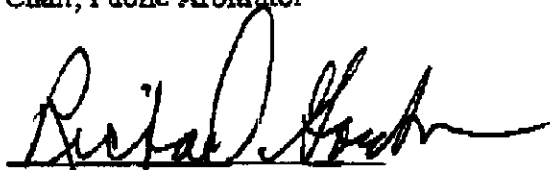
All balances are payable to NASD Dispute Resolution, Inc. and are due within 30 days of the Award's date of service.

Concurring Arbitrators' Signatures



Eric M. Epstein, Esq.
Chair, Public Arbitrator

7/19/00
Signature Date



Richard Gordon, Esq.
Public Arbitrator

7/19/00
Signature Date

Montgomery G. Griffin, JD
Non-Public Arbitrator

Signature Date

7/24/00
Date of Service

Concurring Arbitrators' Signatures



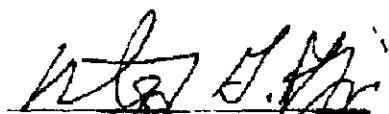
Eric M. Epstein, Esq.
Chair, Public Arbitrator

7/19/00

Signature Date

Richard Gordon, Esq.
Public Arbitrator

Signature Date



Montgomery G. Griffin, Jr.
Non-Public Arbitrator

7-21-00

Signature Date

Date of Service