

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Howard E. Tolley and Margaret E. Tolley

Case No. 99-01679

Names of Respondents

Royal Palm Investments, Ltd.
Robert E. Mitchell
Paul S. Tahan
Roland I. Greenspan

REPRESENTATION OF PARTIES

For Howard E. Tolley and Margaret E. Tolley, hereinafter referred to as "Claimants": Randy Scott Zelin, Esq. of the law firm of Blodnick, Gordon, Blodnick & Zelin, Jericho, New York.

Respondents Royal Palm Investments, Ltd., Robert E. Mitchell, Paul S. Tahan, and Roland I. Greenspan, hereinafter collectively referred to as "Respondents", did not appear.

CASE INFORMATION

Statement of Claim filed on or about: March 26, 1999.

Claimants signed the Uniform Submission Agreement on: March 25, 1999.

Respondents did not file Statements of Answer.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimants asserted the following causes of action: violation of Rule 10b-5 of the Securities and Exchange Act of 1934; common law fraud and misrepresentation; unsuitability; and violation of the NASD Rules of Fair Practice.

Claimants further alleged the following: Respondents operated a boiler room wherein the Respondents recommended unsuitable securities through high-pressure sales tactics to elderly investors, including the Claimants. The unsuitable securities are First Colonial Ventures Ltd. and Transun International Airways, Inc. Respondents Royal Palm Investments, Ltd. and Paul S. Tahan are culpable under a theory of primary liability, and Respondents Robert Mitchell and Roland Greenspan are culpable under a theory of secondary liability as control persons.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$31,638.80, punitive damages in the amount of \$50,000.00, and interest.

OTHER ISSUES CONSIDERED AND DECIDED

On April 27, 2000, the undersigned arbitrators (the "Panel") denied Claimants' Motion to Bar and Hearing by Submission. The Panel determined that Respondents have been properly served with the Statement of Claim and that the NASD has jurisdiction over the Respondents. The Panel determined that Respondents were not barred from presenting any matter, argument or defense at the evidentiary hearing. Further, the Panel denied Claimants' request to present their case through the submission of pleadings and documentary evidence without personal appearance.

Respondents did not appear in this matter. Upon review of the file and the representations made by/on behalf of the Claimants, the Panel determined that Respondents have been 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 did not file with the NASD Regulation, Inc. Office of Dispute Resolution properly executed submissions 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 present at the hearing 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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Based upon the testimony of Claimant, Howard E. Tolley, and the evidence submitted in this matter, the Panel makes an affirmative finding of fraud in this case.
2. Respondents are liable, jointly and severally, and shall pay to Claimants compensatory damages in the amount of \$31,638.80, plus interest which shall begin to accrue as of June 4, 1998, at the rate of eight (8.00%) percent per annum, and shall continue to accrue until the Award is paid in full.
3. Respondents are liable, jointly and severally, and shall pay to Claimants the sum of \$225.00 representing reimbursement of the Claim Filing Fee.

4. Respondents are liable, jointly and severally, and shall pay to Claimants the sum of \$1,500.00 representing reimbursement of the Forum Fees.
5. Claimants' request for punitive damages is denied.
6. All other requests for relief not specifically addressed herein are 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 = \$225.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm, Respondent Royal Palm Investments, Ltd., is a party:

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$1,500.00

Adjournment Fees

There were no adjournments requested during these proceedings.

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), 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: December 21, 1999	1 session
One (1) Hearing session x \$750.00	= \$750.00
Hearing Date: May 1, 2000	1 session
Total Forum Fees	= \$1,500.00

The Panel has assessed the total forum fees of \$1,500.00 jointly and severally to Claimants.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided

without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$1,500.00
Total Fees	= \$1,725.00
<u>Less payments</u>	<u>= \$ 975.00</u>
Balance Due NASD Regulation, Inc.	= \$750.00

Respondent Royal Palm Investments, Ltd. be and hereby is liable for:

Member Fees	= \$3,100.00
Total Fees	= \$3,100.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Regulation, Inc.	= \$3,100.00

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

Concurring Arbitrators' Signatures

_____/s/_____
Rita J. Roache, Esq.
Public Arbitrator, Presiding Chair

Signature Date

_____/s/_____
Robert Shiffra, Esq.
Industry Arbitrator

Signature Date

_____/s/_____
Bernadette F. Rasmussen
Public Arbitrator

Signature Date

June 12, 2000

Date of Service (For NASD office use only)

without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

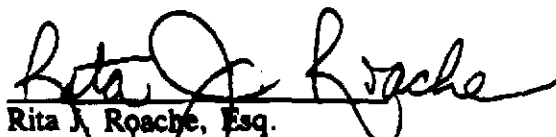
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Concurring Arbitrators' Signatures


Rita J. Roache, Esq.
Public Arbitrator, Presiding Chair

24 May 2000
Signature Date

Robert Shiffra, Esq.
Industry Arbitrator

Signature Date

Bernadette F. Rasmussen
Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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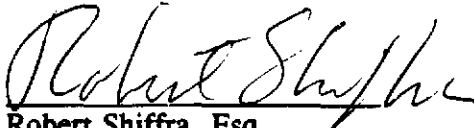
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Concurring Arbitrators' Signatures

Rita J. Roache, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Robert Shiffra, Esq.
Industry Arbitrator

5-18-00

Signature Date

Bernadette F. Rasmussen
Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Concurring Arbitrators' Signatures

Rita J. Roache, Esq.
Public Arbitrator, Presiding Chair

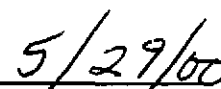
Signature Date

Robert Shiffra, Esq.
Industry Arbitrator

Signature Date



Bernadette F. Rasmussen
Public Arbitrator



Signature Date

Date of Service (For NASD office use only)