

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:
James Stewart and Audrey Stewart, Claimants vs. Saucedo & Granville
Securities, Inc. and Jon Cella, Respondents.

Case Number: 99-01846

REPRESENTATION OF PARTIES

Claimants, James Stewart and Audrey Stewart (Stewart) (hereinafter referred to as "Claimants"), were represented by Paul Erickson, Esquire, of Gutglass, Erickson & Bonville, S.C., Milwaukee, Wisconsin.

Respondent, Saucedo & Granville Securities, Inc. ("Saucedo & Granville "), was not represented by counsel.

Respondent, Jon Cella ("Cella"), was represented by Eric Ross, Esquire, Law Offices of Dan Brecher, New York, New York.

CASE INFORMATION

Claimants' Joint Statement of Claim was filed on or about April 20, 1999.

Claimants' Submission Agreement was signed on December 7, 1998.

Respondent Jon Cella's Statement of Answer was filed on or about September 7, 1999.

Respondent Jon Cella did not sign the Uniform Submission Agreement.

Respondent Saucedo & Granville's Statement of Answer was filed on or about June 19, 2000.

Respondent Saucedo & Granville did not sign the Uniform Submission Agreement, nor did anyone on its behalf.

CASE SUMMARY

Claimants made the following allegations in their Joint Statement of Claim: violation of Sections 10(b) and 20 and Rule 10b-5; intentional and negligent misrepresentations; breach of fiduciary duty; breach of implied covenants; violations of NASD and NYSE rules; Breach of contract and failure to supervise. The allegations were related to transactions involving Surequest Information Systems, Inc. stock.

Respondent Cella denied all liability to Claimants and asserted various affirmative defenses, including: laches; estoppel; failure to state a claim and failure to mitigate.

Respondent Saucedo & Granville denied all liability to Claimants.

RELIEF REQUESTED

Claimants requested:

| | |
|----------------------|--------------|
| Compensatory Damages | \$162,830.00 |
| Punitive Damages | unspecified |
| Attorney's Fees | unspecified |
| Costs | unspecified |

Respondent Cella requested that Claimants' claims be dismissed in their entirety. Additionally, he requested costs and attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 9, 2000, Claimants settled with Respondent Cella and withdrew their claims against him with prejudice.

On or about April 20, Claimants filed a Motion to Bar Respondent Saucedo & Granville from filing an Answer and from presenting any facts or defenses at the hearing.

After hearing oral argument on the Motion to Bar on June 8, 2000, the Panel denied the Motion. The Panel ordered Saucedo & Granville, represented at that hearing by Benito Saucedo, III, to file an Answer no later than June 15, 2000.

On June 14, 2000, Saucedo & Granville submitted an Answer to the Statement of Claim, generally denying all claims therein.

On September 28, 2000, the Panel granted Claimants' renewed Motion to Bar Saucedo & Granville from presenting any facts, defenses, or arguments at the hearing, pursuant to Rule 10314 (b) (2) (A) of the Code of Arbitration Procedure.

The Panel considered the arguments made during the telephonic hearing on Claimants' Motion to Bar, at which representatives for both Claimants and respondent Saucedo & Granville were present, as well as the pleadings and evidence offered by the Claimants, and ruled as set forth herein.

AWARD

After considering the pleadings and the evidence presented at the telephonic hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

The Panel finds in favor of Claimants James Stewart and Audrey Stewart and awards \$160,330.00 (One Hundred Sixty Thousand Three Hundred Thirty Dollars) in Compensatory Damages.

Additionally, the Panel awards \$24,049.50 (Twenty-Four Thousand Forty-Nine Dollars and Fifty Cents) in Interest, accrued from November, 1997 through November, 2000.

Respondent Saucedo & Granville Securities, Inc. is solely liable to Claimants for the amounts awarded above.

Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$ 300

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, the member firm is Saucedo & Granville Securities, Inc.

Member surcharge = \$1,500 (Waived*)

Pre-hearing process fee = \$ 600 (Waived*)

Hearing process fee = \$2,500 (Waived*)

*Saucedo & Granville is no longer an NASD member firm.

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) Telephonic conference with Panel x \$1,1250 | = \$ 1,125 |
| Pre-hearing conference: June 8, 2000 1 session | |
| Total Forum Fees | = \$ 1,125 |

The Panel has assessed \$562.50 in Forum Fees to Claimants, jointly and severally, and \$562.50 in Forum Fees solely to Respondent, Saucedo & Granville Securities, Inc.

Fee Summary

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

| | |
|---|---------------|
| Initial Filing Fee | = \$ 300.00 |
| Forum Fees | = \$ 562.50 |
| Total Fees | = \$ 862.50 |
| Less payments | = \$1,425.00 |
| Balance Due NASD Dispute Resolution, Inc. | = \$ (562.50) |

NASD Dispute Resolution, Inc. will refund this \$562.50 to Claimants.

2. Respondent, Saucedo & Granville, be and hereby is solely liable for:

| | |
|---|-------------|
| Forum Fees | = \$ 562.50 |
| Total Fees | = \$ 562.50 |
| Less payments | = \$ 0 |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 562.50 |

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

Gary L. Grolle
 Gary L. Grolle, Esq.
 Public Arbitrator, Presiding Chair

January 24, 2001
 Signature Date

David G. Kingstad
 David G. Kingstad, Esq.
 Public Arbitrator

January 19, 2001
 Signature Date

John E. Sundeen
 John E. Sundeen
 Non-Public Arbitrator

January 24, 2001
 Signature Date

January 29, 2001
 Date of Service (For NASD-DR office use only)

01/18/01 THU 10:16 FAX

NASD REGULATION

NASD-DR Award

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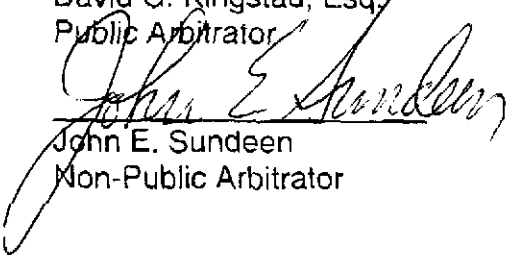
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Signature Date

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Signature Date

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Signature Date

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