

**Stipulated Award**  
**NASD Regulation, Inc.**

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In the Matter of the Arbitration Between

Names of Claimants

Gerald B. Goodman  
Phyllis Goodman  
Arnold F. Rothman

Case No. 99-02625

Names of Respondents

Noble International Investments, Inc.  
Wayne R. Horne  
Craig R. Cohen

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**REPRESENTATION OF PARTIES**

For Arnold F. Rothman ("Rothman") and Gerald B. Goodman and Phyllis Goodman ("Goodman"), hereinafter also referred to as "Claimants": Richard A. Stephens, Esq., Boca Raton, Florida.

For Respondents Noble International Investments, Inc. ("Noble"), Wayne R. Horne ("Horne") and Craig R. Cohen ("Cohen"), hereinafter also referred to as "Respondents": Wayne H. Schwartz, Esq. of Atlas Pearlman, P.A., Fort Lauderdale, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: May 28, 1999.

Claimant Rothman signed the Uniform Submission Agreement on: May 10, 1999.

Claimants Gerald B. and Phyllis Goodman signed their Uniform Submission Agreement on: May 25, 1999.

Joint Statement of Answer filed by Respondents on or about: September 13, 1999.

Respondents signed the Uniform Submission Agreements on: June 23, 1999.

**CASE SUMMARY**

Claimants alleged the following: there were two unauthorized sales transactions in Claimants' respective accounts. Respondents did not have discretionary trading authority. Claimants sought damages for violations of the Florida and Federal Securities Laws, violations of Florida Common Law, and certain NASD Rules.

Unless specifically admitted in their Statement of Answer, Respondents denied all allegations of wrongdoing contained in the Statement of Claim and asserted the following affirmative defenses: estoppel and waiver based upon Claimants' statements or conduct; that Claimants ratified all of the transactions in their account; that Respondents acted in accordance with Claimants' or their agents' instructions; that the sales were confirmed; that Respondents acted in accordance with industry guidelines; that damages, if any, were caused by conditions or events beyond the control of Respondents; and, that Respondents acted at all times with the appropriate degree of care required.

### **RELIEF REQUESTED**

Claimants requested damages, jointly and severally, against the Respondents as follows: \$163,200.00 including punitive damages for Claimant Rothman; \$240,000.00 including punitive damages for Claimants Goodman; interest; attorneys' fees; and, costs of this action, including filing fees, hearing session fees and expert witness fees.

Respondents requested that the panel dismiss Claimants' claims and enter an award in their favor.

### **OTHER ISSUES CONSIDERED AND DECIDED**

On March 20, 2000, Claimants advised NASD Dispute Resolution, Inc. that the parties had reached a settlement agreement. On June 9, 2000, pursuant to the settlement agreement, the parties filed with NASD Dispute Resolution, Inc., a request that the arbitrators order that the Central Registration Depository (CRD) records of the individual Respondents, Horne and Cohen, be expunged of any and all references to this proceeding.

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**

The undersigned Arbitrators, having considered the pleadings and the Stipulation submitted by the parties, decided in full and final resolution of the issues submitted for a determination as follows:

1. The arbitration panel recommends the expungement of all references to the above-captioned arbitration from Respondents Horne's and Cohen's CRD records with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Horne and Cohen must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

### **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	= \$300.00
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#### **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 persons at the time of the events giving rise to the dispute. In this matter, the member firm 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:

Two (2) Pre-hearing sessions with the Panel x \$1,125.00	= \$2,250.00
Pre-hearing conference dates: December 10, 1999 1 session	
March 16, 2000 1 session	

Total Forum Fees	= \$2,250.00
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The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Claimants.  
The Panel has assessed \$1,125.00 of the forum fees to Respondent Noble.

### **Fee Summary**

Claimants are hereby jointly and severally liable for:

Initial claim filing fee	= \$ 300.00
Forum Fees	= \$1,125.00
Total Fees	= \$1,425.00
Less Payments	= \$1,425.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondent Noble is hereby solely liable for:

Member Fees	= \$4,600.00
Forum Fees	= \$1,125.00
Total Fees	= \$5,725.00
Less payments	= \$5,600.00
Balance Due NASD Regulation, Inc.	= \$ 125.00

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

**Concurring Arbitrators' Signatures**

\_\_\_\_\_/s/\_\_\_\_\_  
Richard B. Salzman, Esq.  
Public Arbitrator/Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_/s/\_\_\_\_\_  
Barth Satuloff, CPA  
Public Arbitrator

\_\_\_\_\_  
Signature Date


\_\_\_\_\_/s/\_\_\_\_\_  
Robert W. Schlitt, Jr.  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

September 8, 2000  
Date of Service (For NASD office use only)

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

Concurring Arbitrators' Signatures

  
Richard B. Salzman, Esq.  
Public Arbitrator/Chair

9/1/00  
Signature Date

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Barth Sautloff, CPA  
Public Arbitrator

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Signature Date

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Robert W. Schlin, Jr.  
Industry Arbitrator

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Signature Date

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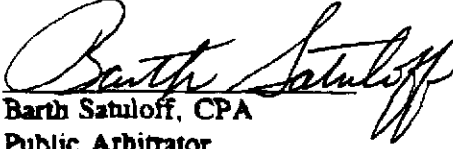
Date of Service (For NASD office use only)

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Concurring Arbitrators' Signatures

\_\_\_\_\_  
Richard B. Salzman, Esq.  
Public Arbitrator/Chair

\_\_\_\_\_  
Signature Date

  
Barth Satuloff, CPA  
Public Arbitrator

Sept. 5, 2000  
Signature Date

\_\_\_\_\_  
Robert W. Schlitt, Jr.  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
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## Office of Dispute Resolution

Arbitration No. 99-02623

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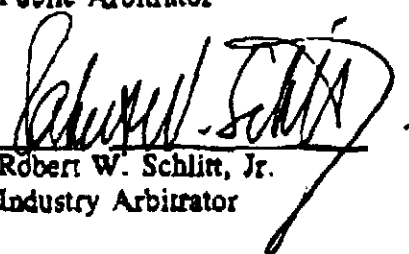
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Richard B. Salzman, Esq.  
Public Arbitrator/Chair

\_\_\_\_\_  
Signature Date

Barth Samloff, CPA  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
Robert W. Schlitt, Jr.  
Industry Arbitrator

9/7/00  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD office use only)