

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

John R. Sullivan, (Claimant) vs. First Montauk Securities Corp., First Montauk Financial Corp., Herbert Kurinsky, William J. Kurinsky, Norma L. Doxey, Ward R. Jones, Jr., David I. Portman, and Michael G. Pento, (Respondents)

Case Number: 99-02803

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, John R. Sullivan, hereinafter referred to as "Claimant": Steven B. Caruso, Esq., Maddox, Koeller, Hargett & Caruso, New York, NY.

Respondents, First Montauk Securities Corp. ("First Montauk"), First Montauk Financial Corp. ("First Montauk Financial"), Herbert Kurinsky ("H. Kurinsky"), William J. Kurinsky ("W. Kurinsky"), Norma L. Doxey ("Doxey"), Ward R. Jones, Jr. ("Jones"), David I. Portman ("Portman"), and Michael G. Pento ("Pento"), hereinafter collectively referred to as "Respondents": Luigi Spadafora, Esq., Winget, Spadafora, & Schwartzberg, LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: June 21, 1999.

Response to Motion to Dismiss filed by Claimant on or about: May 4, 2000.

Claimant signed the Uniform Submission Agreement: June 10, 1999.

Joint Statement of Answer and Motion to Dismiss filed by Respondents on or about: September 17, 1999.

Reply in Support of Motion to Dismiss filed by Respondents on or about: May 23, 2000.

First Montauk did not sign the Uniform Submission Agreement.

First Montauk Financial did not sign the Uniform Submission Agreement.

H. Kurinsky did not sign the Uniform Submission Agreement.

W. Kurinsky did not sign the Uniform Submission Agreement.

Doxey did not sign the Uniform Submission Agreement.

Jones did not sign the Uniform Submission Agreement.

Portman did not sign the Uniform Submission Agreement.

Pento did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: violation of the Securities Exchange Act of 1934; violation of Connecticut and New Jersey common law; fraud; negligence; breach of contract; breach of fiduciary duty; respondeat superior; violation of NASD Conduct Rules; violation of Connecticut Uniform Securities Act; violation of New Jersey Uniform Securities Act; and violation of Connecticut Unfair Trade Practices Act.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant's Statement of Claim fails to state a claim upon which relief may be granted; Claimant's claims are barred by the doctrines of estoppel, waiver, ratification, and laches; Claimant has failed to mitigate his alleged damages; Claimant's claims are time-barred by virtue of the expiration of the applicable federal and state statutes of limitations; Claimant's damages, if any, were caused by third parties over whom Respondents did not and could not exercise authority or control; Claimant authorized all transactions at issue in this proceeding; any and all damages for which Claimant seeks recovery herein were caused by Claimant's own culpable conduct, comparative and/or contributory negligence and/or assumption of the risks involved; and Claimant's claims are ineligible pursuant to Rule 10304 of the NASD Code of Arbitration Procedure, either in whole or in part, to the extent that more than six years have elapsed since the time they purchased the securities at issue herein.

RELIEF REQUESTED

Claimant requested compensatory, statutory and/or rescissory damages in the amount of \$74,127.00, plus interest, punitive damages, reasonable counsel fees, all costs and forum fees, damages for lost interest and/or lost appreciation potential, and such other and further relief as may be deemed just, proper and equitable under the facts and circumstances presented.

Respondents requested that Claimant's claims against Respondents be dismissed in their entirety, that Respondents be awarded their attorneys' fees and costs in connection with this proceeding, and that all costs of this proceeding be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

Prior to the hearing in this matter, the Panel dismissed Respondents First Montauk Financial, H. Kurinsky, W. Kurinsky, Doxey, Jones, and Portman without prejudice.

During the hearing in this matter, First Montauk and Pento made a motion to dismiss at the conclusion of Claimant's case. The Panel denied this motion.

During the hearing in this matter, Respondents' counsel made a motion for expungement of this matter from the CRD records of First Montauk Financial, H. Kurinsky, W. Kurinsky, Doxey, Jones, and Portman. The Panel's decision is reflected in the Award below.

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. The claims set forth in the Statement of Claim against First Montauk and Pento are hereby denied in their entirety.
2. Upon confirmation of this Award by a court of competent jurisdiction, NASD Regulation, Inc. shall expunge all references to this arbitration from the permanent CRD records of Respondents First Montauk Financial, H. Kurinsky, W. Kurinsky, Doxey, Jones, and Portman.
3. All other requests for relief are hereby 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	= \$ 225.00
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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 person at the time of the events giving rise to the dispute. In this matter, First Montauk Securities Corp. is a party.

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

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:

One (1) Pre-hearing session with Panel x \$750.00	= \$ 750.00
Pre-hearing conference: April 14, 2000	1 session
Two (2) Hearing sessions x \$750.00	= \$1,500.00
Hearing Date: October 24, 2000	2 sessions
Total Forum Fees	= \$2,250.00

The Panel has assessed all of the forum fees against Claimant.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$2,250.00
Total Fees	= \$2,475.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,500.00

2. First Montauk be and hereby is solely liable for:

Member Fees	= \$3,100.00
Total Fees	= \$3,100.00
Less payments	= \$3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due and payable to NASD Dispute Resolution, Inc.


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Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Blair Allen, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Jay L. Himes, Esq.
Public Arbitrator

Nov. 20, 2000

Signature Date


John P. Gualtieri, Jr., Esq.
Industry Arbitrator

Signature Date

November 29, 2000
Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Blair Allen, Esq.
Public Arbitrator, Presiding Chair

November 22, 2000
Signature Date

Jay L. Himes, Esq.
Public Arbitrator

Signature Date

John P. Gualtieri, Jr., Esq.
Industry Arbitrator

Signature Date

November 29, 2000
Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

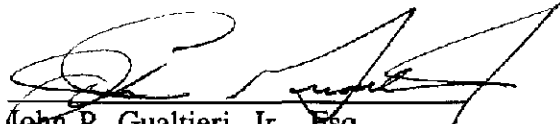
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Blair Allen, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Jay L. Himes, Esq.
Public Arbitrator

Signature Date



John P. Gualtieri, Jr., Esq.
Industry Arbitrator

11/27/00
Signature Date

November 29, 2000
Date of Service (For NASD office use only)