

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:

Craig Mason, (Claimant) vs. RAS Securities Corp. and Max Goldstone, (Respondents)

Case Number: 99-02955

Hearing Site: New York, NY

REPRESENTATION OF PARTIES

Claimant, Craig Mason, hereinafter referred to as "Claimant": Eric W. Berry, Esq., New York, NY.

Respondent, RAS Securities Corp. ("RAS"), hereinafter referred to as "Respondent": David Parsons, Esq., Associate General Counsel, RAS Securities Corp., Roosevelt Island, NY.

Respondent, Max Goldstone ("Goldstone"), hereinafter referred to as "Respondent": Daniel H. Hecht, Esq., Kaufman, Feiner, Yamin, Gildin & Robbins LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: December 1, 1998

Claimant signed the Uniform Submission Agreement: October 30, 1997

Statement of Answer filed by Respondent RAS on or about: May 4, 1998

Respondent RAS signed the Uniform Submission Agreement: May 4, 1998

Statement of Answer filed by Respondent Goldstone on or about: July 15, 1998

Respondent Goldstone signed the Uniform Submission Agreement: July 14, 1998

CASE SUMMARY

Claimant asserted the following causes of action: churning; suitability; unauthorized trading; and, negligent supervision.

Unless specifically admitted in its Answer, Respondent RAS denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant failed to state a claim upon which relief can be granted; Claimant was the cause of the loss; Claimant assumed the risks of his investment; Claimant's claims are barred by the doctrine of waiver; Claimant breached the contract; there is no private right of action for regulatory rule violations; punitive damages are not recoverable under New York law in this matter; Respondent was not negligent in its supervision of Gladstone; and, Claimant initiated this action in bad faith.

Unless specifically admitted in his Answer, Respondent Goldstone denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant's claims are barred by the doctrines of waiver and ratification.

RELIEF REQUESTED

Claimant requested:

| | |
|----------------------|---------------------------|
| Compensatory Damages | not less than \$90,000.00 |
| Punitive Damages | unspecified |

Respondent RAS requested:

| | |
|---|-------------|
| Attorneys' Fees | unspecified |
| Other Costs | unspecified |
| Other Monetary/Non-Monetary Relief if any: that the arbitration be dismissed with prejudice and that it be awarded such other and further relief as the Panel may deem just and proper. | |

Respondent Goldstone requested:

| | |
|---|-------------|
| Attorneys' Fees | unspecified |
| Other Costs | unspecified |
| Other Monetary/Non-Monetary Relief if any: that all Claimant's claims against him be dismissed. | |

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 Respondent RAS has 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 Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Goldstone was withdrawn as a party to this proceeding prior to the December 6, 1999 hearing date.

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. Respondent RAS be and hereby is liable for and shall pay to Claimant compensatory damages in the amount of \$25,016.40, plus interest at a rate of 9% per annum commencing from November 24, 1996 until damages are fully paid.
2. Claimants remaining requests are hereby denied.
3. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

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 \$500.00 | = \$ 500.00 |
| Pre-hearing conference: October 28, 1999 1 session | |
| Number (2) Hearing sessions x \$500.00 | = \$1,000.00 |
| Hearing Date: December 7, 1999 2 sessions | |
| Total Forum Fees | = \$1,500.00 |

1. The Panel has assessed \$ 375.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,125.00 of the forum fees against Respondent RAS.

Fee Summary

1. Claimant be and hereby is solely liable for:

| | |
|-----------------------------------|-------------|
| <u>Forum Fees</u> | = \$ 375.00 |
| <u>Total Fees</u> | = \$ 375.00 |
| <u>Less payments</u> | = \$ 0.00 |
| Balance Due NASD Regulation, Inc. | = \$ 375.00 |

2. Respondent RAS be and hereby is solely liable for:

| | |
|-----------------------------------|--------------|
| <u>Forum Fees</u> | = \$1,125.00 |
| <u>Total Fees</u> | = \$1,125.00 |
| <u>Less payments</u> | = \$ 0.00 |
| Balance Due NASD Regulation, Inc. | = \$1,125.00 |

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

Concurring Arbitrators' Signatures

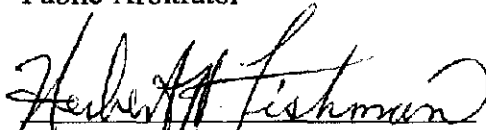
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Samuel H. Chorchos, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Patricia Broadbelt, Esq.
Public Arbitrator

Signature Date


Herbert N. Fishman
Industry Arbitrator



Signature Date


January 21, 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.

Samuel H. Chorchos, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Patricia Broadbelt, Esq.
Public Arbitrator

1-13-00

Signature Date

Herbert N. Fishman
Industry Arbitrator

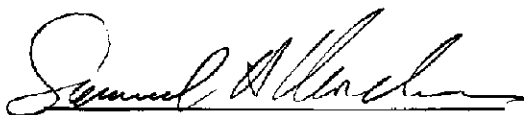
Signature Date

January 20, 2000
Date of Service (For NASD office use only)

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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.



Samuel H. Chorch, Esq.
Public Arbitrator, Presiding Chair

1/6/00
Signature Date

Patricia Broadbelt, Esq.
Public Arbitrator

Signature Date

Herbert N. Fishman
Industry Arbitrator

Signature Date

January 21, 2000
Date of Service (For NASD office use only)