

Amended Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Louise M. Smith, IRA, Claimant v. The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Roman Sakharovich, Konstantin Tokar, Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Maroun D. Mansour, Tomer M. Yuzary, Earl J. Swan, III, Richard O. Freedman, George C. Danas a/k/a George C. Damas, Aron O. Bronstein, and Andrew Reegen, Respondents

Case Number: 99-04363

Hearing Site: Los Angeles, California

REPRESENTATION OF PARTIES

For Claimant:

Jonathan W. Evans, Esq.
Jonathan W. Evans & Associates
Los Angeles, California

For Respondent The Golden, Lender
Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc.:

Dan Druz, Esq.
Law Office of Dan Druz
Manasquan, New Jersey

For Respondent Roman Sakharovich:

Roman Sakharovich
In Pro Per
Staten Island, New York

For Respondent Konstantin Tokar:

Konstantin Tokar
In Pro Per
Brooklyn, New York

For Respondent Foster J. Gibbons:

Foster J. Gibbons
In Pro Per
New York, New York

For Respondent Alexander Bienenstock:

Alexander Bienenstock
In Pro Per
Fresh Meadows, New York

For Respondent Kenneth R. Lauher:

Kenneth R. Lauher
In Pro Per
New York, New York

For Respondent Maroun D. Mansour:

Howard Meyers, Esq.
Meyers & Heim, LLP
New York, New York

For Respondent Tomer M. Yuzary:

Tomer M. Yuzary
In Pro Per
Brooklyn, New York

For Respondent Earl J. Swan, III:

Earl J. Swan, III
In Pro Per
Guilford, Connecticut

For Respondent Richard O. Freedman:

Richard O. Freedman
In Pro Per
New York, New York

For Respondent George C. Danas
a/k/a George C. Damas:

George C. Danas
a/k/a George C. Damas
In Pro Per
Long Beach, New York

For Respondent Aron O. Bronstein:

Aron O. Bronstein
In Pro Per
Brooklyn, New York

For Respondent Andrew Reegen:

Andrew Reegen
In Pro Per
New York, New York

CASE INFORMATION

Statement of Claim filed: September 21, 1999

Claimant's Uniform Submission Agreement signed: September 16, 2000

Amendment to the Statement of Claim filed: October 1, 2000

Statement of Answer filed by Respondent George C. Danas a/k/a George C. Damas: December 8, 1999

Joint Statement of Answer filed by Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, and Aron O. Bronstein: January 19, 2000

Respondent The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc. and Foster J. Gibbons' signed but undated Uniform Submission Agreement received: December 20, 1999

Respondent Alexander Bienenstock's signed but undated Uniform Submission Agreement received: December 20, 1999

Respondent Kenneth R. Lauher's signed but undated Uniform Submission Agreement received: December 20, 1999

Respondent Aron O. Bronstein's signed but undated Uniform Submission Agreement received: December 20, 1999

Statement of Answer filed by Respondent Maroun D. Mansour: January 28, 2000

Respondent Maroun D. Mansour's signed but undated Uniform Submission Agreement received: January 31, 2000

CASE SUMMARY

Claimant alleged negligence, suitability, misrepresentation, fraud, failure to supervise, failure to maintain diversification in Claimant's accounts, unauthorized trading on margin, churning, unauthorized trading, breach of fiduciary duty, violation of federal securities laws, and violation of the NASD Rules of Fair Practice. The case involved the purchase and/or sale of numerous securities.

Respondent George C. Danas a/k/a George C. Damas denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

In their joint Statement of Answer, Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, and Aron O. Bronstein denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

Respondent Maroun D. Mansour denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$50,028.63 in compensatory damages, \$48,298.00 in disgorgement of commissions and margin interest, a reasonable rate of return on the sums invested, interest at the rate of 10% per annum from March 1997, punitive damages, costs, and attorney's fees.

Respondent George C. Danas a/k/a George C. Damas requested dismissal of the Claimant's Statement of Claim in its entirety.

In their joint Statement of Answer, Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, and Aron O. Bronstein requested dismissal of the Claimant's Statement of Claim in its entirety, and sought an award of costs and attorney's fees.

Respondent Maroun D. Mansour requested dismissal of the Claimant's Statement of Claim in its entirety, and sought an award of costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned Panel determined that Respondents Roman Sakharovich, Konstantin Tokar, Tomer M. Yuzary, and Richard O. Freedman, were 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 Roman Sakharovich, Konstantin Tokar, Tomer M. Yuzary, Earl J. Swan, III, George C. Danas a/k/a George C. Damas, and Richard O. Freedman, did not file with the NASD Dispute Resolution, Inc. a properly executed submission agreement but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

On July 3, 2000, NASD Dispute Resolution, Inc. received notice that Claimant discontinued her claims against Respondent Maroun Mansour with prejudice.

On October 23, 2000, Claimant dismissed Respondent George C. Danas a/k/a George C. Damas from this action.

Pursuant to the Panel's Order dated August 2, 2000, the remaining Respondents' Statements of Answer were barred for failure to respond to Claimant's discovery request.

At the hearing on the merits, Claimant advised the Panel that Respondent Konstantin Tokar was dismissed from this action.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

On December 14, 2000, Claimant and Respondent Reegen submitted a joint request to the Panel seeking a finding that Respondent Reegen was never served with the Statement of Claim. Further, Claimant and Respondent Reegen requested an amendment to the award dismissing Respondent Reegen with prejudice, expungement of all reference of this arbitration from his registration records and a finding that Respondent Reegen is not liable for the forum fees.

On December 18, 2000, the Panel granted Claimant and Respondent Reegen's joint requests. The Panel found that Respondent Reegen was not properly served with the Statement of Claim.

AWARD

After considering the pleadings, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Roman Sakharovich, Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, Richard O. Freedman, and Aron O. Bronstein are jointly and severally liable to and shall pay Claimant the sum of \$126,298.00 in compensatory damages.
- 2) Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Roman Sakharovich, Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, Richard O. Freedman, and Aron O. Bronstein are jointly and severally liable to and shall pay Claimant interest on the sum of \$126,298.00 at the rate of 10% per annum from April 1, 1999 until the award is paid in full.
- 3) Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Roman Sakharovich, Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, Richard O. Freedman, and Aron O. Bronstein are jointly and severally liable to and shall pay Claimant the sum of \$150,000 in punitive damages pursuant to §3294 of the California Civil Code.
- 4) Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Roman Sakharovich, Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, Richard O. Freedman, and Aron O. Bronstein are jointly and severally liable to and shall pay Claimant the sum of \$1,500.00 in expert witness fees.
- 5) In addition to the damages awarded in items 1, 2, and 3 above, Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Roman Sakharovich, Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, Richard O. Freedman, and Aron O. Bronstein shall pay 40% of the total damages awarded in items 1, 2, and 3 above as attorney's fees pursuant to California Welfare and Institutions Code §15610.30 and §15657.
- 6) The panel made a specific finding that Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Roman Sakharovich, Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, Richard O. Freedman, and Aron O. Bronstein committed fraud.
- 7) Pursuant to the Claimant and Respondent Reegen's stipulation, the Panel finds that Respondent Andrew Reegen was not properly served with the Statement of Claim and is dismissed with prejudice.

- 8) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Andrew Reegen's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Andrew Reegen must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 9) Except as noted above, each party shall bear its own costs, including attorney's fees.
- 10) All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 225.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the event of the dispute. Accordingly, the member firm The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 1,500.00</u>
Total Member Fees	= \$ 3,100.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel. The following fees are assessed:

(2) Pre-hearing conference sessions with the Panel @ \$750.00/session	= \$ 1,500.00
Pre-hearing conferences: May 1, 2000	1 session
August 2, 2000	1 session

(1) Hearing session @ \$750.00/session	= \$ 750.00
Hearings: November 6, 2000	1 sessions

Total Forum Fees	= \$ 2,250.00
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The Panel assessed \$ 2,250.00 of the forum fees jointly and severally to Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Roman Sakharovich, Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, Richard O. Freedman, and Aron O. Bronstein.

Fee Summary

1. Claimant Louise M. Smith is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
Less Payments	= \$(975.00)
Refund Due Claimant	= \$(750.00)

2. Respondent The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc. is charged with the following fees and costs:


Member Fees	= \$ 3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,100.00

3. Respondents The Golden, Lender Financial Group, Inc. n/k/a J.P. Gibbons & Co., Inc., Roman Sakharovich, Foster J. Gibbons, Alexander Bienenstock, Kenneth R. Lauher, Tomer M. Yuzary, Earl J. Swan, III, Richard O. Freedman, and Aron O. Bronstein, are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 2,250.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,250.00

All balances are payable to NASD Dispute Resolution, Inc. and are to be paid immediately upon the receipt of the award by the parties pursuant to Rule 10330(g) of the Code.

Concurring Arbitrators' Signatures



Kevin K. Forrester, Esq.
Chair, Public Arbitrator

12/20/00

Signature Date

Jesse D. Miller, Esq.
Public Arbitrator

Signature Date

Richard C. Ramos
Non-Public Arbitrator

Signature Date

12/21/00

Date of Service

Concurring Arbitrators' Signatures

Kevin K. Forrester, Esq.
Chair, Public Arbitrator

Signature Date


Jesse D. Miller, Esq.
Public Arbitrator

12-20-00
Signature Date

Richard C. Ramos
Non-Public Arbitrator

Signature Date

12/21/00
Date of Service

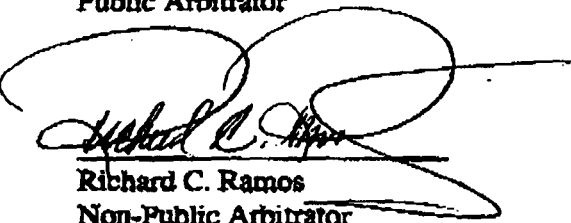
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Signature Date

Jesse D. Miller, Esq.
Public Arbitrator

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Non-Public Arbitrator

12-21-00
Signature Date

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