

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Helmut and Alma Hohenleitner, (Claimants) vs. Cambridge Capital, LLC and Vincent Ribortone, (Respondents)

Case Number: 99-04683

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Helmut and Alma Hohenleitner, hereinafter collectively referred to as "Claimants": Martin L. Feinberg, Esq., Attorney At Law, New York, NY.

Respondent, Cambridge Capital, LLC ("Cambridge"), did not appear at the hearings in this matter. Previously represented by: Roger J. Schwarz, Esq., Attorney At Law, New York, NY.

Respondent, Vincent Ribortone ("Ribortone"): Joseph F. Keenan, Esq., Attorney At Law, New York, NY. Previously represented by: Eric Ross, Esq., Olshan Grundman Frome Rosenzweig & Wolosky LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 18, 1999.

Amended Statement of Claim filed on or about: February 28, 2000.

Claimants signed the Uniform Submission Agreement: October 13, 1999.

Statement of Answer filed by Cambridge on or about: January 17, 2000.

Amended Statement of Answer filed by Cambridge on or about: March 10, 2000.

Cambridge signed the Uniform Submission Agreement.

Statement of Answer filed by Ribortone on or about: January 18, 2000.

Ribortone signed the Uniform Submission Agreement: February 8, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: churning; unsuitable trading; violations of the antifraud provisions of the federal securities laws; common law fraud; breach of contract; failure to supervise; and respondeat superior. Claimants' claim involved unspecified financial products.

Unless specifically admitted in its Answer and Amended Answer, Cambridge denied the allegations made in the Statement of Claim and Amended Statement of Claim and asserted the following defenses: Claimants have failed to state any claim upon which relief can be granted against Cambridge; no private right of action exists for alleged violations of NASD or New York Stock Exchange Rules; some or all of the claims asserted are barred by the applicable statutes of limitation; Claimants' own culpable conduct, including their own negligence, assumption of risk, and the "bespeaks caution" doctrine, contributed to and bar any recovery for the claimed losses and damages; Claimants failed to mitigate their losses and damages; recovery is barred under the doctrines of estoppel, ratification, and waiver, as well as the equitable principle of "unclean hands"; Cambridge complied with all statutory and regulatory obligations and duties required of it; and Cambridge at no time acted with the requisite degree of scienter, and at all times exercised reasonable care.

Unless specifically admitted in his Answer, Ribortone denied the allegations made in the Statement of Claim and asserted the following defenses: Claimants were well informed with respect to the type and frequency of the transactions that would be made in their account and were willing to speculate on technology and internet companies; the trading in the account was not excessive in light of Claimants' investment objectives; Claimants were sophisticated investors and the account in question constituted a very small percentage of their total net worth; at all times during the relevant time period, Claimants controlled their own account; Claimants have failed to establish that Respondents acted with the intent to defraud; and Claimants have failed to state a claim upon which relief may be granted.

RELIEF REQUESTED

Claimants requested:

- a. Compensatory damages equal to:
 1. The commissions, fees, and margin interest paid between January 1, 1999 and June 30, 1999, currently believed to be \$50,695.18;
 2. Net losses in the account (excluding losses resulting from the sale of Chesapeake stock), currently believed to be \$21,935.75; and
 3. Pre-award interest at the legal rate of 9% per year;
- b. Punitive damages in an amount to be determined by the Panel;
- c. Costs, expenses, and disbursements incurred in pursuing this proceeding, including reasonable attorneys' fees; and
- d. Such other relief as the Panel deems just and proper.

Cambridge requested that the Panel render an award dismissing all claims against it with prejudice, and that it be awarded costs, expenses, counsel fees, and forum fees in this arbitral proceeding.

Ribortone requested that Claimants' claims be dismissed in their entirety, with all costs, including Ribortone's attorneys' fees, being borne by Claimants. Ribortone also requested that the Panel direct NASD Regulation, Inc. to remove all references to this proceeding from his CRD and disciplinary reports.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Cambridge 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 Cambridge present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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. Claimants' claims are hereby dismissed in their entirety.
2. 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 |
|--------------------------|-------------|

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, Cambridge Capital, LLC is a party.

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

Adjournment Fees

Adjournments requested during these proceedings:

| | |
|--|--------------|
| November 14, 15 & 17, 2000, adjournment by Ribortone | = \$ 750.00 |
| December 21, 2000, adjournment by Ribortone | = \$1,000.00 |

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 Panel x \$750.00 | = \$1,500.00 |
| Pre-hearing conferences: May 22, 2000 | 1 session |
| December 21, 2000 | 1 session |

| | |
|--------------------------------------|--------------|
| Four (4) Hearing sessions x \$750.00 | = \$3,000.00 |
| Hearing Dates: March 1, 2001 | 2 sessions |
| March 2, 2001 | 2 sessions |

| | |
|------------------|--------------|
| Total Forum Fees | = \$4,500.00 |
|------------------|--------------|

1. The Panel has assessed \$1,500.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$1,500.00 of the forum fees against Cambridge.
3. The Panel has assessed \$1,500.00 of the forum fees against Ribortone.

Fee Summary

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

| | |
|---|---------------------|
| Initial Filing Fee | = \$ 225.00 |
| <u>Forum Fees</u> | = <u>\$1,500.00</u> |
| Total Fees | = \$1,725.00 |
| <u>Less payments</u> | = <u>\$ 975.00</u> |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 750.00 |

2. Cambridge be and hereby is solely liable for:

| | |
|---|---------------------|
| Member Fees | = \$3,100.00 |
| <u>Forum Fees</u> | = <u>\$1,500.00</u> |
| Total Fees | = \$4,600.00 |
| <u>Less payments</u> | = <u>\$1,000.00</u> |
| Balance Due NASD Dispute Resolution, Inc. | = \$3,600.00 |

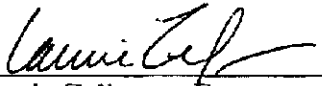
3. Ribortone be and hereby is solely liable for:

| | |
|---|---------------------|
| Adjournment Fees | = \$1,750.00 |
| <u>Forum Fees</u> | = <u>\$1,500.00</u> |
| Total Fees | = \$3,250.00 |
| <u>Less payments</u> | = <u>\$ 750.00</u> |
| Balance Due NASD Dispute Resolution, Inc. | = \$2,500.00 |

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



Laurie Zeligson, Esq.
Public Arbitrator, Presiding Chair

3/23/01

Signature Date

Paul S. Biederman
Public Arbitrator

Signature Date

Jeffrey F. Friedman, Esq.
Industry Arbitrator

Signature Date

March 29, 2001

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.

Laurie Zeligson, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Paul S. Biederman
Paul S. Biederman
Public Arbitrator

MARCH 26, 2001
Signature Date

Jeffrey F. Friedman, Esq.
Industry Arbitrator

Signature Date

March 29, 2001

Date of Service (For NASD office use only)

Concurring Arbitrators' Signatures

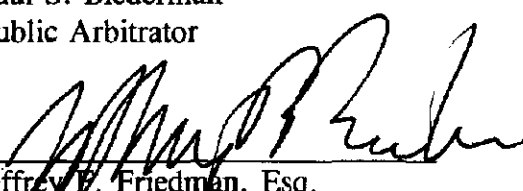
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Laurie Zeligson, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Paul S. Biederman
Public Arbitrator

Signature Date



Jeffrey V. Friedman, Esq.
Industry Arbitrator

3/26/01
Signature Date

March 29, 2001
Date of Service (For NASD office use only)