

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

James Del Valle and Mary Del Valle Revocable Trust
James and Mary Del Valle
Helen D. Hover
Helen D. Hover as Trustee of the Ernest and Helen Hover Trust
Boris Shapiro

Case No. 99-05063

Names of Respondents

Sigma Financial Corporation
Charlie Jean Littlejohn, Jr.
Leonard J. Klucar, Jr.

REPRESENTATION OF PARTIES

For Claimants James Del Valle and Mary Del Valle Revocable Trust ("Del Valle Trust"), James and Mary Del Valle ("Del Valle"), Boris Shapiro ("Shapiro"), Helen D. Hover ("Hover"), and Helen D. Hover as Trustee of the Ernest and Helen Hover Trust ("E&H Trust"), hereinafter collectively referred to as "Claimants": Joel A. Goodman, Esq. of Goodman & Nekvasil, P.A., Clearwater, FL.

For Respondents Sigma Financial Corporation ("Sigma"), Charlie Jean Littlejohn, Jr. ("Littlejohn"), and Leonard J. Klucar, Jr. ("Klucar"), hereinafter collectively referred to as "Respondents": Joseph H. Spiegel, Esq. of Joseph H. Spiegel, P.C., Southfield, MI.

CASE INFORMATION

Statement of Claim filed on or about: November 10, 1999.

First Amended Statement of Claim filed on or about: December 18, 1999.

Claimant James Del Valle, individually and as Trustee of the James Del Valle and Mary Del Valle Revocable Trust signed the Uniform Submission Agreement: October 6, 1999.

Claimant Mary Del Valle, individually and as Trustee of the James Del Valle and Mary Del Valle Revocable Trust signed the Uniform Submission Agreement: October 6, 1999.

Claimant Helen D. Hover, individually and as Trustee of the Ernest and Helen Hover Trust signed the Uniform Submission Agreement: November 17, 1999.

Claimant Boris Shapiro signed the Uniform Submission Agreement: September 20, 1999.

Respondents' Answer to Claimants' First Amended Statement of Claim and Affirmative Defenses filed on or about: January 18, 2000.

Respondent Leonard J. Klucar signed the Uniform Submission Agreement: January 20, 2000.

Respondent Littlejohn signed the Uniform Submission Agreement: January 20, 2000.

Respondent Sigma signed the Uniform Submission Agreement: December 1, 1999.

CASE SUMMARY

Claimants asserted the following causes of action: Violation of the Florida Securities Act Section 517.301; violations of the Ohio Securities Act; breach of contract; common law fraud; constructive fraud through breach of fiduciary duty; negligence and gross negligence; unjust enrichment; and, violations of the Federal Racketeer Influenced and Corrupt Organizations Act. These causes of action involve the improper and illegal recommendations of MCA Financial Corporation 11% Asset-Backed Subordinated Debenture Series 1994 to Claimants.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim failed to state a claim upon which relief may be granted; Respondent Sigma's conduct was not the proximate cause of any alleged injury; and, Claimants' losses were caused by others or by market conditions not attributable to Respondents. Further, Respondents asserted the Statement of Claim was barred by the doctrine of assumption of risk, the doctrine of estoppel, Claimants' failure to join necessary or indispensable parties, the statute of frauds, the doctrine of laches, the doctrine of unclean hands, and the want or failure of consideration.

RELIEF REQUESTED

Claimants requested compensatory and statutory damages of \$173,000.00, attorneys' fees pursuant to Florida Statutes Section 517.211(6), prejudgment interest, punitive damages, costs, benefit of the bargain damages, reimbursement of commissions, and such other relief as is deemed proper and necessary.

Respondents requested dismissal of the Statement of Claim and Amended Statement of Claim, reimbursement of all costs and attorneys' fees, and such other relief as the Panel deemed equitable and just.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 22, 2000, Respondents filed a motion to sever claims. Claimants filed a response in opposition to Respondents' motion to sever claims on or about April 18, 2000. On or about May 3, 2000, the Panel issued an order which severed the claims of Claimant Boris Shapiro against Respondents and the claims of Claimants against Respondent Leonard J. Klucar, Jr. from this action with leave granted to Boris Shapiro to proceed in a separate arbitration.

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:

Respondents Sigma and Littlejohn are liable, jointly and severally, and shall pay to Claimants James Del Valle, Mary Del Valle, and the Del Valle Trust compensatory damages in the sum of \$89,252.61, inclusive of prejudgment interest. Interest was computed at the rate of 6.61% per annum from the date of the investment until October 20, 2000.

Respondents Sigma and Littlejohn are liable, jointly and severally, and shall pay to Claimants Hover and the E&H Trust compensatory damages in the sum of \$62,824.99, inclusive of prejudgment interest. Interest was computed at the rate of 6.61% per annum from the date of the investment until October 20, 2000.

Respondents Sigma and Littlejohn are liable, jointly and severally, and shall pay to Claimants costs in the sum of \$3,250.00.

Claimants' request for punitive damages is denied.

Claimants' and Respondents' requests for attorneys' fees are denied.

All other relief requests not specifically addressed herein are 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	= \$ 300.00
--------------------------	-------------

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm, Sigma, 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 arbitrator(s), including a pre-hearing conference with

the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: June 28, 2000 1 session

One (1) Pre-hearing session with Panel x \$1,125.00 = \$ 1,125.00
Pre-hearing conference: April 26, 2000 1 session

Twelve (12) Hearing sessions x \$1,125.00 = \$13,500.00
Hearing Dates: October 17, 2000 2 sessions
October 18, 2000 2 sessions
October 19, 2000 2 sessions
October 20, 2000 2 sessions
December 13, 2000 2 sessions
December 14, 2000 2 sessions

Total Forum Fees = \$15,075.00

The Panel has assessed \$3,768.75 of the forum fees to Claimants James Del Valle, Mary Del Valle, and the Del Valle Trust, jointly and severally.

The Panel has assessed \$3,768.75 of the forum fees to Claimants Hover and the E&H Trust, jointly and severally.

The Panel has assessed \$7,537.50 of the forum fees to Respondents Sigma and Littlejohn, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Respondents Sigma and Littlejohn requested additional copies of arbitrator awards beyond those provided without charge. = \$ 60.00

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	<u>= \$ 300.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Claimants James Del Valle, Mary Del Valle, and the Del Valle Trust be and hereby are jointly and severally liable for:

Forum Fees = \$ 3,768.75

Total Fees	= \$ 3,768.75
<u>Less payments</u>	= \$ 1,125.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,643.75

Claimants Hover and the E&H Trust be and hereby are jointly and severally liable for:

Forum Fees	= \$ 3,768.75
Total Fees	= \$ 3,768.75
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,768.75

Respondent Sigma be and hereby is solely liable for:

Member Fees	= \$ 4,600.00
Total Fees	= \$ 4,600.00
<u>Less payments</u>	= \$ 2,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,500.00

Respondents Sigma and Littlejohn be and hereby are jointly and severally liable for:

Forum Fees	= \$ 7,537.50
<i>Administrative Costs</i>	= \$ 60.00
Total Fees	= \$ 7,597.50
<u>Less payments</u>	= \$ 60.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 7,537.50

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

Concurring Arbitrators' Signatures

/s/

Samuel J. Henderson, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/

Lydia Rose Annunziata, Esq.
Public Arbitrator

Signature Date

/s/


Patrick D. King
Industry Arbitrator

Signature Date

January 25, 2001

Date of Service (For NASD-DR office use only)

Concurring Arbitrator's Signature


Samuel J. Henderson, Esq.
Public Arbitrator, Presiding Chair

Jan. 25, 2001
Signature Date

Lydia Rose Amunziate, Esq.
Public Arbitrator

Signature Date

Patrick D. King
Industry Arbitrator


Signature Date

Date of Service (For NASD-DR office use only)

Concurring Arbitrators' Signatures

Samuel J. Henderson, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Lydia Rose Annunziata, Esq.
Public Arbitrator

11/25/01
Signature Date

Patrick D. King
Industry Arbitrator

Signature Date

Date of Service (For NASD-DR office use only)

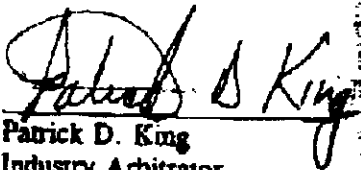
Concurring Arbitrators' Signatures

Samuel J. Henderson, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Lydia Rose Annunziata, Esq.
Public Arbitrator

Signature Date


Patrick D. King
Industry Arbitrator

1/25/01
Signature Date

Date of Service (For NASD office use only)