

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Darwin Kurt Hoop and Brenna Muldavin v. JB Oxford & Company

Case Number: 99-05128

Hearing Site: Southfield, Michigan

REPRESENTATION OF PARTIES

Claimants, Darwin Kurt Hoop and Brenna Muldavin, hereinafter collectively referred to as "Claimants": Michael Huberman, Michael Huberman & Associates, La Quinta, California.

Respondent, JB Oxford & Company, hereinafter referred to as "Respondent": Jeffrey Kob, Esq., and Cynthia M. Schleindel, Esq., Miller, Milove & Kob, San Diego, California.

CASE INFORMATION

Statement of Claim filed on or about: November 8, 1999

Claimant, Darwin Kurt Hoop, signed the Uniform Submission Agreement: November 4, 1999

Claimant, Brenna Muldavin, signed the Uniform Submission Agreement: November 4, 1999

Statement of Answer filed by Respondent on or about: March 16, 2000

Respondent signed the Uniform Submission Agreement: June 27, 2000

Claimants' Motion for Sanctions filed on or about: December 11, 2000

Respondent's Response to Motion for Sanctions filed on or about: December 28, 2000

Claimants' Request to Compel and for Sanctions filed on or about: August 8, 2001

Respondent's Response to Claimants' Request to Compel and for Sanctions filed on or about: August 28, 2001

Claimants' Reply to Respondent's Response to Request to Compel and for Sanctions filed on or about: August 29, 2001

Respondent's Supplemental Objection to Claimants' Motion to Compel and for Sanctions filed on or about: August 30, 2001

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; negligence; misrepresentations and statements of omission; breach of contract; and lack of supervision. The causes of action relate to the use of margin in Claimants' accounts, and the recommendation and solicitation of stocks that Respondent was a market maker in.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: failure to state a cause of action; waiver; statute of limitations; laches; estoppel; ratification; unclean hands; in pari delicto; fault of others; fault of Claimants; failure to exercise reasonable care and mitigate damages; no right to recover attorneys' fees and costs; limitation on damages; and failure to allege fraud with particularity.

RELIEF REQUESTED

Claimants requested general and compensatory damages in an amount according to proof, but not less than \$82,000.00, plus all profits Respondent generated from the accounts in an amount according to proof but not less than the total commissions and interest generated, costs of the proceedings, punitive damages, interest at the highest legal rate permitted in the State of Michigan, attorney fees, costs, and such other and further relief as the Panel deems just and appropriate.

Respondent requested that any and all claims against Respondent be dismissed, Claimants take nothing as to Respondent by Claimants' Statement of Claim, and such other relief as the arbitrators deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The Chairperson granted in part and denied in part Claimants' Motion to Compel. The Panel denied Claimants' Motion for Sanctions on or about September 13, 2000.

The Panel denied Claimants' Motion for Sanctions on or about January 19, 2001.

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, JB Oxford & Co., is liable for and shall pay to Claimant, Darwin Kurt Hoop, the sum of \$18,000.00 in compensatory damages;
- 2.) Respondent, JB Oxford & Co., is liable for and shall pay to Claimant, Brenna Muldavin, the sum of \$18,000.00 in compensatory damages;
- 3.) Respondent, JB Oxford & Co., is liable for and shall pay to Claimant, Darwin Kurt Hoop, the sum of \$6,000.00 in attorney fees;
- 4.) Respondent, JB Oxford & Co., is liable for and shall pay to Claimant, Brenna Muldavin, the sum of \$6,000.00 in attorney fees;
- 5.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 6.) That any relief not specifically enumerated, including punitive damages is hereby denied with prejudice.

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm 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:

Hearing Dates December 18-20, 2000, requested by Claimants =\$750.00 (waived)

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 Panel x \$750.00 = \$ 750.00

Pre-hearing conference: June 7, 2000 1 session

Three (3) Hearing sessions x \$750.00 = \$2,250.00

Hearing Date: June 18, 2001 3 sessions

Total Forum Fees = \$3,000.00

The Panel has assessed \$1,500.00 of the forum fees to Darwin Kurt Hoop and Brenna Muldavin jointly and severally.

The Panel has assessed \$1,500.00 of the forum fees to JB Oxford & Co.

NASD Dispute Resolution, Inc.
Arbitration # 89-08128
Award Page 4 of 4

Fee Summary

Claimants, Darwin Kurt Hoop and Brenna Muldavin, are jointly and severally liable for:

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

Respondent, JB Oxford & Co., is solely liable for:

Member Fees	= \$ 3,100.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,500.00

All balances are due to NASD Dispute Resolution, Inc.

Concerning Arbitrators' Signatures



George P. Doom
Public Arbitrator, Presiding Chair

7-10-2001
Signature Date

Frederick F. Fordon
Public Arbitrator

Signature Date

Garrick A. Rollett, J.D.
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration # 99-08125
Award Page 4 of 4**Fee Summary**

Claimants, Darwin Kurt Hoop and Brenna Muldavin, are jointly and severally liable for:

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

Respondent, JB Oxford & Co., is solely liable for:

Member Fees	= \$ 3,100.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,500.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

George P. Doorn
Public Arbitrator, Presiding Chair

Signature Date

Frederick F. Fordon
Public Arbitrator

Signature Date
Garrick A. Rollert, J.D.
Industry Arbitrator

7/10/01
Signature Date

Date of Service (For NASD office use only)

Fee Summary

Claimants, Darwin Kurt Hoop and Brenna Muldavin, are jointly and severally liable for

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 500.00
Total Fees	= \$ 725.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 750.00

Respondent, JB Oxford & Co., is solely liable for:

Member Fees	= \$ 3,100.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,500.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

George P. Doom
Public Arbitrator, Presiding Chair

Signature Date

Frederick F. Fordon

Frederick F. Fordon
Public Arbitrator

7/11/01

Signature Date

Garrick A. Rollert, J.D.
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Fee Summary

Claimants, Darwin Kurt Hoop and Brenna Muldavin, are jointly and severally liable for:

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Total Fees	= \$ 1,725.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 750.00

Respondent, JB Oxford & Co., is solely liable for:

Member Fees	= \$ 3,100.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,500.00

All balances are due to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

/s/ George P. Doom
George P. Doom
Public Arbitrator, Presiding Chair

07/10/01
Signature Date

/s/ Frederick F. Fordon
Frederick F. Fordon
Public Arbitrator

07/11/01
Signature Date

/s/ Garrick A. Rollert, J.D.
Garrick A. Rollert, J.D.
Industry Arbitrator

07/10/01
Signature Date

07/12/01
Date of Service (For NASD office use only)