

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Hartford Financial Holdings, inc., Alan R. Stevenson, Lighthouse Two Corp., Capital Asset Management Ltd., Andrew Trojner, and NKV, Ltd. (Claimants) vs. Bathgate Capital Partners LLC, Steven C. Signer, Bathgate Partners LLC, Steven M. Bathgate, Vicki D. Barone, Richard T. Huebner, and NF Clearing, Inc., formerly known as Fiserv Securities, Inc. (Respondents)

Case Number: 05-04934

Hearing Site: New York, New York

Nature of the Dispute: Customers vs. Members, Non-Member, and Associated Persons.

REPRESENTATION OF PARTIES

Claimants Hartford Financial Holdings, Inc., ("Hartford"), Alan R. Stevenson ("Stevenson"), Lighthouse Two Corp., ("Lighthouse"), Capital Asset Management Ltd., ("Capital"), Andrew Trojner ("Trojner"), and NKV, Ltd., (NKV"), hereinafter collectively referred to as "Claimants": W. Scott Greco, Esq., Greco & Greco, P.C., McLean, VA.

Respondents Bathgate Capital Partners LLC ("Bathgate Capital"), Bathgate Partners LLC ("Bathgate Partners") and Richard T. Huebner ("Huebner") hereinafter collectively referred to as "The Bathgate Respondents": Ann B. Frick, Esq., Jacobs Chase Frick Kleinkopf & Kelley, Denver, CO.

Respondent Steven C. Signer hereinafter referred to as ("Signer"): Steve A. Miller, Esq., Steve A. Miller, P.C., Denver, CO.

Respondents Steven M. Bathgate ("Bathgate") and Vicki D. Barone ("Barone"), hereinafter collectively referred to as "Respondents": John V. McDermott, Esq., Holme Roberts & Owen LLP, Denver, CO. Previously represented by Ann B. Frick, Esq., Jacobs Chase Frick Kleinkopf & Kelley, Denver, CO.

Respondent NF Clearing, Inc., formerly known as Fiserv Securities, Inc., ("NF Clearing"): Michael G. Shannon, Esq., Thelen Reid Brown Raysman & Steiner LLP, New York, NY. Previously represented by Michael G. Shannon, Esq., Thelen Reid & Priest LLP, New York, NY.

Respondents Steven M. Bathgate, Richard Huebner, and Vicki Barone were represented at the expungement hearing by Steven D. Plissey, Esq., Sherman & Howard LLC, Denver, CO.

CASE INFORMATION

Statement of Claim filed on or about: September 20, 2005.

Hartford signed the Uniform Submission Agreement: September 12, 2005.

Stevenson signed the Uniform Submission Agreement: September 9, 2005.

Lighthouse signed the Uniform Submission Agreement: September 9, 2005.

Capital signed the Uniform Submission Agreement: September 9, 2005.

Trojner signed the Uniform Submission Agreement: September 9, 2005.

NKV signed the Uniform Submission Agreement: September 12, 2005.

Joint Statement of Answer filed by Bathgate Capital, Bathgate Partners, Bathgate, Barone and Huebner on or about: December 22, 2005.

Bathgate Capital signed the Uniform Submission Agreement: December 22, 2005.

Bathgate Partners signed the Uniform Submission Agreement: December 22, 2005.

Bathgate signed the Uniform Submission Agreement: December 22, 2005.

Barone signed the Uniform Submission Agreement: December 22, 2005.

Huebner signed the Uniform Submission Agreement: December 22, 2005.

Statement of Answer filed by Signer on or about: December 23, 2005.

Signer signed the Uniform Submission Agreement: December 23, 2005.

Motion to Dismiss and Statement of Answer filed by NF Clearing on or about: January 3, 2006.

NF Clearing did not submit a Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: securities fraud, common law fraud, constructive fraud, breach of fiduciary duty, solicitation and sale of securities by unlicensed agents in violation of state securities acts, exercise of discretion without prior written authorization, failure to follow orders to stop trading, suitability, churning, negligence, breach of contract, control person liability, and clearing liability. The causes of action relate to the purchase of U.S. treasuries.

In their Amended Statement of Claim, Claimants asserted the following additional cause of action against NF Clearing: clearing liability.

Unless specifically admitted in their Answer, Bathgate Capital, Bathgate Partners, Bathgate, Barone and Huebner denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Signer denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, NF Clearing denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Motion to Dismiss, NF Clearing denied the allegations made in the Amended Statement of Claim.

RELIEF REQUESTED

Claimant Hartford requested compensatory damages in the amount of \$600,000.00. Claimant Stevenson requested compensatory damages in the amount of \$1,657,247.00. Claimant Lighthouse requested compensatory damages in the amount of \$996,519.00. Claimants Capital and Trojner requested compensatory damages in the amount of \$370,000.00. Claimant NKV requested compensatory damages in the amount of \$688,596.00. Claimants also jointly requested damages for the commissions and fees earned by Respondents, interest from the date of the wrongful conduct until payment of the award, opportunity lost damages, punitive damages in the amount of \$13,000,000.00, costs, including FINRA fees, attorneys' fees, and such other further relief to which Claimants may be justly entitled as determined by the Arbitration Panel.

Bathgate Capital, Bathgate Partners, Bathgate, Barone and Huebner requested the dismissal of the Statement of Claim in its entirety, and that the Panel assess all attorneys' fees, costs and forum fees against Claimants, and that they be awarded all other relief that the arbitration panel deems reasonable and appropriate under the circumstances.

Signer requested the dismissal of the Statement of Claim in its entirety, and that the Panel assess all attorneys' fees, costs, and forum fees against Claimants, and that Signer be awarded all other relief that the arbitration panel deems reasonable and appropriate under the circumstances.

NF Clearing requested the dismissal of the Statement of Claim in its entirety, and that all costs and forum fees be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent NF Clearing did not file with FINRA Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code, and having answered the claim, appeared and testified at the pre-hearing conferences, is bound by the determination of the Panel on all issues submitted.

By letter dated November 14, 2006 Claimant filed a Motion to Amend the Statement of Claim against Respondent NF Clearing to assert additional claims. By letter dated November 22, 2006 NF Clearing submitted its opposition and Motion to Dismiss. Claimants' response was dated December 11, 2006. After due deliberation, the Panel granted Claimants' Motion to Amend and denied NF Clearing's Motion to Dismiss.

By letter dated April 12, 2007, Claimants advised FINRA Dispute Resolution that they had settled their claims with Bathgate Capital, Bathgate Partners, Bathgate, Barone, Huebner, and NF Clearing. Claimants further advised that they were pursuing their claims against Signer.

By letter dated April 23, 2007, Respondents Bathgate, Barone, and Huebner requested expungement. After due deliberation, the Panel deferred decision until the hearing.

The Panel conducted a hearing on January 10, 2008 so the parties could present evidence on Respondents Bathgate, Barone, and Huebner's request for expungement.

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 post-hearing submissions, and the expungement hearing conducted on January 10, 2008, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Signer is liable for and shall pay to Claimant Stevenson compensatory damages in the amount of \$775,000.00 plus interest at the rate of 9% per annum from April 1, 2007 until January 31, 2008.
2. Respondent Signer is liable for and shall pay to Claimant Hartford Financial compensatory damages in the amount of \$275,000.00 plus interest at the rate of 9% per annum from April 1, 2007 until January 31, 2008.
3. Respondent Signer is liable for and shall pay to Claimant Capital Asset compensatory damages in the amount of \$95,000.00 plus interest at the rate of 9% per annum from April 1, 2007 until January 31, 2008.
4. Respondent Signer is liable for and shall pay to Claimant Lighthouse compensatory damages in the amount of \$420,000.00 plus interest at the rate of 9% per annum from April 1, 2007 until January 31, 2008.
5. Respondent Signer is liable for and shall pay to Claimant NKV compensatory damages in the amount of \$310,000.00 plus interest at the rate of 9% per annum from April 1, 2007 until January 31, 2008.
6. Respondents Bathgate, Barone, and Huebner's expungement request is denied.
7. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 600.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Bathgate Capital Partners LLC and NF Clearing, Inc., are parties.

Member surcharge	= \$3,750.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

January 16-19, 22-26, 2007 adjournment by Bathgate Capital and Bathgate Partners	= \$1,200.00
May 8-11, 14-18, 2007 joint adjournment request	= \$1,200.00
Claimants' share	= \$ 600.00
Respondent Signer's share	= \$ 600.00

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

May 8-11, 14-18, 2007 joint adjournment request	= \$ 300.00
Claimants' share	= \$ 150.00
Respondent Signer's share	= \$ 150.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on either a discovery-related motion on the papers or a contested motion for the issuance of a subpoena. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Decisions on discovery-related motions on the papers
with (3) three arbitrators @ \$600.00 = \$ 1,200.00

Claimants submitted one discovery-related motion
The Bathgate Respondents submitted one discovery-related motion

Six (6) Pre-hearing sessions with Panel @ \$1,200.00 = \$ 7,200.00

Pre-hearing conferences:

February 14, 2006	1 session
February 24, 2006	1 session
May 4, 2006	1 session
June 8, 2006	1 session
October 30, 2006	1 session
November 30, 2006	1 session

Ten (10) Hearing sessions @ \$1,200.00 = \$12,000.00

Hearing Dates:

December 17, 2007	2 sessions
December 18, 2007	2 sessions

December 19, 2007	1 session
December 20, 2007	2 sessions
December 21, 2007	2 sessions
January 10, 2008	1 session

Total Forum Fees = \$20,400.00

1. The Panel has assessed \$19,200.00 of the forum fees to Respondent Signer.
2. The Panel has assessed \$1,200.00 of the forum fees to Respondents Bathgate, Barone, and Huebner.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 600.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Total Fees</u>	<u>= \$ 1,350.00</u>
<u>Less payments</u>	<u>= \$ 2,550.00</u>
Refund Due to Claimants	= \$ 1,200.00

2. Respondent Signer is solely liable for:

Adjournment Fee	= \$ 600.00
Three-Day Cancellation Fee	= \$ 150.00
Forum Fees	= \$19,200.00
<u>Total Fees</u>	<u>= \$19,950.00</u>
<u>Less payments</u>	<u>= \$ 750.00</u>
Balance Due FINRA Dispute Resolution	= \$19,200.00

3. Respondent Bathgate Capital Partners LLC is solely liable for:

Member Fees	= \$10,000.00
<u>Total Fees</u>	<u>= \$10,000.00</u>
<u>Less payments</u>	<u>= \$10,000.00</u>
Balance Due FINRA Dispute Resolution	= \$ 0.00

4. Respondent NF Clearing, Inc. is solely liable for:

Member Fees	= \$10,000.00
<u>Total Fees</u>	<u>= \$10,000.00</u>
<u>Less payments</u>	<u>= \$15,500.00</u>
Refund Due NF Clearing, Inc.	= \$ 5,500.00

5. Respondents Bathgate, Barone, and Huebner are jointly and severally liable for:

Forum Fees	= \$ 1,200.00
<u>Total Fees</u>	<u>= \$ 1,200.00</u>
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due FINRA Dispute Resolution	= \$ 1,200.00

6. Respondents Bathgate Capital and Bathgate Partners are jointly and severally liable for:

Adjournment Fee	= \$ 1,200.00
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Total Fees	= \$ 1,200.00
<u>Less payments</u>	<u>= \$ 1,200.00</u>
Balance Due FINRA Dispute Resolution	= \$ 0.00

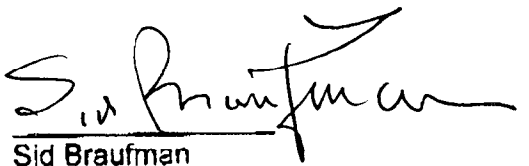
All balances are payable to FINRA Dispute Resolution and are due upon receipt.

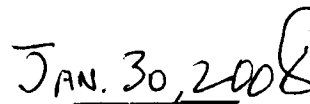
ARBITRATION PANEL

Sid Braufman	-	Public Arbitrator, Presiding Chairperson
Daniel J. McCarthy, Jr.	-	Public Arbitrator
Joseph N. Stineman	-	Non-Public Arbitrator

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.

Concurring Arbitrators' Signatures


Sid Braufman
Public Arbitrator, Presiding Chairperson


Signature Date

Daniel J. McCarthy, Jr.
Public Arbitrator

Signature Date

Joseph N. Stineman
Non-Public Arbitrator

Signature Date

February 5, 2008

Date of Service (For FINRA Dispute Resolution use only)

ARBITRATION PANEL

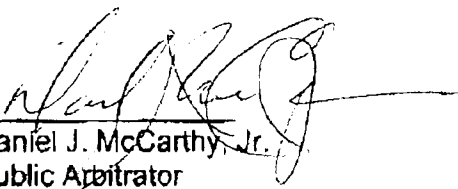
Sid Braufman - Public Arbitrator, Presiding Chairperson
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Joseph N. Stineman - Non-Public Arbitrator

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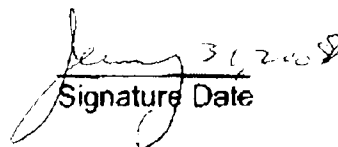
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Sid Braufman
Public Arbitrator, Presiding Chairperson

Signature Date



Daniel J. McCarthy, Jr.
Public Arbitrator



Signature Date

Joseph N. Stineman
Non-Public Arbitrator

Signature Date

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Sid Braufman
Public Arbitrator, Presiding Chairperson

Signature Date

Daniel J. McCarthy, Jr.
Public Arbitrator

Signature Date



Joseph N. Stineman
Non-Public Arbitrator

1/30/2008
Signature Date

February 5, 2008

Date of Service (For FINRA Dispute Resolution use only)