

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

David and Christine March and Sandra M. White, Claimants v. Wedbush Morgan Securities, Inc. and Wendy Rea, Respondents v. Patricia Georgia French and Scott Key, Third Party Respondents

Case Number: 00-0721

Hearing Site: Charlotte, North Carolina

REPRESENTATION OF PARTIES

For Claimants David and Christine March:
("March") and Sandra M. White ("White")

Richard S. Rosen, Esq.
Rosen, Goodstein & Hagood, LLC
Charleston, South Carolina

John P. Freeman, Esq.
Columbia, South Carolina.

For Respondents Wedbush Morgan Securities,
Inc. ("Wedbush") and Wendy Rea ("Rea"):

Gary L. Holmes, Esq.
Michael A. Thurman, Esq.
Respondent Wedbush
Los Angeles, California

Jerry S. Phillips, Esq.
Richman, Mann, Chizever,
Phillips & Duboff, P.C.
Beverly Hills, California
appeared as outside litigation counsel
on March 30, 2001

For Third Party Respondent Patricia
Georgia French ("French")

Gregg A. Johnson, Esq.
San Diego, California

Third Party Respondent Scott Key ("Key")

appeared pro se

CASE INFORMATION

Statement of Claim filed on or about: February 14, 2000.

Claimant March signed the Uniform Submission Agreement on: February 2, 2000.

Claimant White signed the Uniform Submission Agreement on: February 11, 2000.

Motion to Dismiss filed by Respondents Wedbush and Rea on or about: March 15, 2001.

Statement of Answer, Motion to Dismiss and Third Party Claim filed by Respondents Wedbush and Rea on or about: June 2, 2000.

Respondent Wedbush signed the Uniform Submission Agreement on: June 2, 2000.

Respondent Rea signed the Uniform Submission Agreement on: June 2, 2000.

Third Party Respondents French and Key did not file executed Uniform Submission Agreements.

Third Party Respondent French's Statement of Answer to Third Party Claim filed on or about: October 23, 2000.

Third Party Respondent Key's Statement of Answer to Third Party Claim filed on or about: December 29, 2000.

CASE SUMMARY

Claimants asserted the following causes of action: 1) fraud; 2) negligence; 3) reckless disregard; 4) violations of applicable state blue sky laws; 5) civil conspiracy; 6) breach of fiduciary duty; 7) breach of duty of good faith and fair dealing; and 8) breach of duty of loyalty. The causes of action relate to the manipulation of common stock in Shopping.com.

Respondents Wedbush and Rea denied the allegations of wrongdoing set forth in Claimant's Statement of Claim.

Respondent Wedbush asserted a cause of action in their Third Party Claim for indemnification and/or contribution against Third Party Respondents Key and French.

Third Party Respondent French denied the allegations of wrongdoing set forth in Respondents Wedbush's and Rea's Third Party Claim.

Third Party Respondent Key denied the allegations of wrongdoing set forth in Respondents Wedbush's and Rea's Third Party Claim.

RELIEF REQUESTED

Claimant March requested: 1) compensatory damages in the amount of \$500,000.00; 2) punitive damages; 3) costs; 4) attorneys' fees; 5) interest; and 6) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Claimant White requested: 1) compensatory damages in the amount of \$150,000.00; 2) punitive damages; 3) costs; 4) attorneys' fees; 5) interest; and 6) such other relief the Panel deemed just and proper.

Respondent Wedbush requested: 1) dismissal of the Statement of Claim; 2) expungement of

all references to the above-captioned arbitration proceeding as to Respondent Rea's registration records maintained by the NASD Central Registration Depository; and 3) indemnification or contribution from Respondents French and Key for any amounts awarded to Claimants.

Respondent Rea requested: 1) dismissal of the Statement of Claim; and 2) expungement of all references to the above-captioned arbitration proceeding as to Respondent Rea's registration records maintained by the NASD Central Registration Depository.

Third Party Respondent French requested: 1) dismissal of the Third Party Claim; 2) costs; and 3) attorneys' fees.

Third Party Respondent Key requested: 1) dismissal of the Third Party Claim; 2) costs; and 3) attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

Third Party Respondents French and Key did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the Third Party Claim, are bound by the determination of the Panel on all issues submitted.

On January 16, 2001, the Panel conducted a telephonic pre-hearing conference. After careful consideration, the Panel granted Claimant's Motion to Amend Statement of Claim wherein the Panel adopted Claimant's Amended Statement of Claim filed on or about November 27, 2000.

On April 16, 2001, the Panel conducted a telephonic pre-hearing conference. After careful consideration, the Panel: 1) granted Respondents Wedbush' and Rea's motion to dismiss; 2) granted Third Party Respondent French's motion to dismiss; and 3) granted Third Party Respondent Key's motion to dismiss. Accordingly, the Panel dismissed all claims asserted in the above-captioned arbitration proceeding.

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 careful consideration of the pleadings and the Panel's Order dated April 16, 2001, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted by Claimants are dismissed, with prejudice.
2. All claims asserted by Respondents Wedbush and Rea are dismissed, with prejudice.

3. All requests for attorneys' fees and punitive damages are denied.
4. All other requests for relief not specifically addressed herein are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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	= \$ 375.00
Third Party Claim filing fee	= \$1,250.00

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 is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

May 7-11, 2001 adjournment request by Respondents Wedbush and Rea. The adjournment request is deemed moot as the Panel dismissed, with prejudice, all claims asserted in the above-captioned arbitration proceeding.

Forum Fees and Assessments

The Panel has the authority to assess 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 arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: February 20, 2001	1 session
Three (3) Pre-hearing sessions with Panel x \$1,200.00	= \$3,600.00
Pre-hearing conferences: October 24, 2000	1 session
January 16, 2001	1 session
April 16, 2001	1 session
Total Forum Fees	= \$4,050.00

With respect to the pre-hearing conference held on October 24, 2000, the Panel has assessed the total forum fees of \$1,200.00 jointly and severally to Claimants.

With respect to the pre-hearing conference held on January 16, 2001, the Panel has assessed the total forum fees of \$1,200.00 jointly and severally to Claimants.

With respect to the pre-hearing conference held on February 20, 2001, the Panel has assessed the total forum fees of \$450.00 jointly and severally to Respondents Wedbush and Rea.

With respect to the pre-hearing conference held on April 16, 2001, the Panel has assessed \$600.00 of the forum fees jointly and severally to Claimants, and \$600.00 of the forum fees to Respondent Wedbush.

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.

There were no administrative costs incurred during these proceedings.

FEE SUMMARY

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$3,000.00

Total Fees	= \$3,375.00
<u>Less payments</u>	<u>= \$1,575.00</u>

Balance Due NASD Dispute Resolution, Inc.	= \$1,800.00
---	--------------

Respondent Wedbush be and hereby is solely liable for:

Third Party Claim Filing Fee	= \$1,250.00
Member Fees	= \$6,100.00
Forum Fees	= \$ 600.00

Total Fees	= \$7,950.00
<u>Less payments</u>	<u>= \$7,950.00</u>

Balance Due NASD Dispute Resolution, Inc.	= \$0.00
---	----------

Respondents Wedbush and Rea be and hereby are jointly and severally liable for:
Forum Fees = \$450.00

Total Fees	= \$450.00
<u>Less payments</u>	<u>= \$450.00</u>

Balance Due NASD Dispute Resolution, Inc. = \$0.00

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

ARBITRATION PANEL

Zeb E. Barnhardt, Jr., Esq.	-	Public Arbitrator, Presiding Chair
Leonard Landsman	-	Public Arbitrator
William W. Marchant, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/
Leonard Landsman
Public Arbitrator

Signature Date

/s/
William W. Marchant, Jr.
Non-Public Arbitrator

Signature Date

July 11, 2001
Date of Service

Respondents Wedbush and Rea be and hereby are jointly and severally liable for:
Forum Fees = \$450.00

Total Fees	= \$450.00
<u>Less payments</u>	<u>= \$450.00</u>

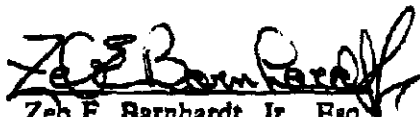
Balance Due NASD Dispute Resolution, Inc. = \$0.00

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

ARBITRATION PANEL

Zeb E. Barnhardt, Jr., Esq.	- Public Arbitrator, Presiding Chair
Leonard Landsman	- Public Arbitrator
William W. Marchant, Jr.	- Non-Public Arbitrator

Concurring Arbitrators' Signatures


Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chair

July 10, 2001
Signature Date

Leonard Landsman
Public Arbitrator

Signature Date

William W. Marchant, Jr.
Non-Public Arbitrator

Signature Date

Date of Service

Respondents Wedbush and Rea be and hereby are jointly and severally liable for:
Forum Fees = \$450.00

Total Fees = \$450.00
Less payments = \$450.00

Balance Due NASD Dispute Resolution, Inc. = \$0.00

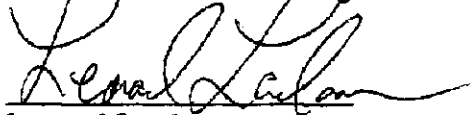
All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Zeb E. Barnhardt, Jr., Esq.	-	Public Arbitrator, Presiding Chair
Leonard Landsman	-	Public Arbitrator
William W. Marchant, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chair



Leonard Landsman
Public Arbitrator

Signature Date

7/6/01
Signature Date

William W. Marchant, Jr.
Non-Public Arbitrator

Signature Date

Date of Service

Respondents Wedbush and Rea be and hereby are jointly and severally liable for:
Forum Fees = \$450.00

Total Fees = \$450.00
Less payments = \$450.00

Balance Due NASD Dispute Resolution, Inc. = \$0.00

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

ARBITRATION PANEL

Zeb E. Barnhardt, Jr., Esq.	-	Public Arbitrator, Presiding Chair
Leonard Landsman	-	Public Arbitrator
William W. Marchant, Jr.	-	Non-Public Arbitrator

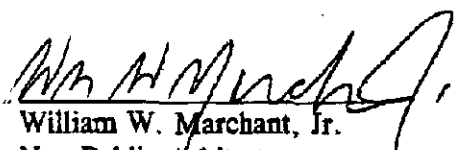
Concurring Arbitrators' Signatures

Zeb E. Barnhardt, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Leonard Landsman
Public Arbitrator

Signature Date



William W. Marchant, Jr.
Non-Public Arbitrator

7/6/01

Signature Date

7/5/01

Date of Service