

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Ronald and Ruth Ann Befferman

Case No. 00-00759

Name of Respondents

DiMedio & Co. (f/k/a DiMedio Kirchhoff & Co., Inc.)
The Kirchhoff Organization, Ltd.
Silvio DiMedio
Rhett H. Kirchhoff

Hearing Site: Philadelphia, Pennsylvania

REPRESENTATION OF PARTIES

Claimants, Ronald and Ruth Ann Befferman hereinafter referred to as "Claimants": John McDonald, Esq., Stark & Stark, Princeton, NJ.

Respondent, Silvio DiMedio ("DiMedio"): Laurent Metzler, Esq., Metzler & DeSantis, Haddonfield, NJ. Respondents DiMedio did not appear at the hearing.

Respondents, DiMedio & Co. ("DiMedio & Co."), The Kirchhoff Organization, Ltd. ("Kirchhoff Organization") and Rhett H. Kirchhoff ("Kirchhoff") did not appear at the hearing.

CASE INFORMATION

Statement of Claim filed on: February 14, 2000

Claimants signed an undated Uniform Submission Agreement

Claimants' Reply to Counterclaim of DiMedio, DiMedio & Co., and DiMedio Kirchhoff & Co. filed on: May 31, 2000

Statement of Answer, Separate Affirmative Defenses, Counterclaim and Crossclaim filed by Respondents, DiMedio, DiMedio & Co., DiMedio Kirchhoff & Co., Inc. on: May 10, 2000

Respondent, DiMedio & Co., signed the Uniform Submission Agreement: May 10, 2000

Letters of Guardianship for Respondent Silvio J. DiMedio, appointing Adeline Croce

Guardian as of January 9, 2001, signed by Elton A. Conda, Surrogate, Burlington County

Surrogate's Court, New Jersey on: January 18, 2001

Guardian Adeline Croce signed Uniform Submission Agreements for Respondents DiMedio

and DiMedio & Co. on: January 9, 2001

No Statement of Answer or Uniform Submission Agreement was received from Kirchhoff Organization or Kirchhoff.

CASE SUMMARY

Claimants asserted the following causes of action, among others: unsuitability; unauthorized trading; negligent misrepresentations and omission; breach of fiduciary duty; breach of contract; failure to supervise; control person liability; violation of federal and state securities laws and common law. The causes of action relate to transactions in small cap stocks including Phoenix Information Systems Corp. and Teleservices International Group Inc.

Unless specifically admitted in its Answer, Respondents DiMedio, DiMedio & Co., and DiMedio Kirchhoff & Co. denied the allegations made in the Statement of Claim and asserted the following defenses, among others: DiMedio was at no time relevant the broker of record to Claimants; DiMedio did not have supervisory responsibility for Kirchhoff at any time; DiMedio & Co. has no responsibility or liability for any acts complained of by Claimants; DiMedio & Co. has no relationships, fiduciary or otherwise, with Claimant or any other named Respondents; DiMedio & Co. was incorporated after the date of the acts complained of by Claimants; at all relevant times Kirchhoff was the broker of record for Claimants; any transactions complained of by Claimants took place while their accounts were with the Kirchhoff Organization; failure to state a claim upon which relief may be granted, doctrine of waiver; doctrine of laches; doctrine of estoppel; contributory negligence; doctrine of avoidable consequences; failure to mitigate; and negligence.

In their Counterclaim Respondents DiMedio, DiMedio & Co., and DiMedio Kirchhoff & Co. asserted the following causes of action, among others: any acts allegedly giving rise to the Claimants' causes of action were done and perpetrated by Co-respondents Van Kirchhoff, Kirchhoff and Kirchhoff Organization; Claimants know that Van Kirchhoff, Kirchhoff and Kirchhoff Organization were their brokers at all relevant times; Claimants know that Van Kirchhoff, Kirchhoff and Kirchhoff Organization were the only named Respondents to execute and perform objectionable transactions on Claimants' accounts; all alleged losses were sustained while Claimants' accounts were managed by Van Kirchhoff, Kirchhoff and Kirchhoff Organization; at all relevant times Counterclaiming Respondents acted in Claimants' best interests and did nothing wrong, negligent or actionable.

Unless specifically admitted in its Reply to the Counterclaim, Claimants denied the allegations made in the Counterclaim and asserted the following defenses, among others: failure to state a cause of action; Counterclaim is frivolous.

In their Crossclaim Respondents DiMedio, DiMedio & Co., and DiMedio Kirchhoff & Co. asserted the following causes of action, among others: all acts allegedly giving rise to the causes of action set forth in the Statement of Claim were done and perpetrated by Co-Respondents Van Kirchhoff, Kirchhoff and Kirchhoff Organization; all alleged losses

sustained by Claimants took place while Claimants' accounts were being managed by Co-Respondents Van Kirchhoff, Kirchhoff and Kirchhoff Organization; and indemnification.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$115,591.00
Punitive Damages	unspecified amount
Pre-Judgment Interest	unspecified amount
Post-Judgment Interest	unspecified amount
Attorneys' Fees	unspecified amount
Other Costs	unspecified amount

Respondents DiMedio, DiMedio & Co., and DiMedio Kirchhoff & Co. requested:

Attorneys' Fees	unspecified amount
Other Costs	unspecified amount
Other Monetary/Non-Monetary Relief if any:	indemnification

OTHER ISSUES CONSIDERED AND DECIDED

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.

Respondent DiMedio was not present at the hearing, however, he was represented by counsel at the hearing.

Notice was given at the hearing that a Guardian had been appointed on behalf of DiMedio pursuant to Letters of Guardianship appointing Adeline Croce Guardian as of January 9, 2001, which were signed by Elton A. Conda, Surrogate, Burlington County Surrogate's Court, New Jersey on January 18, 2001. Ms. Croce was not present at the hearing.

Respondents Kirchhoff and Kirchhoff Organization did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Arbitration Panel (the "Panel") on all issues submitted.

Upon review of the file and the representations made on behalf of the Claimants, the Panel determined that Respondents DiMedio & Co., Kirchhoff and Kirchhoff Organization have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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. That Respondents DiMedio, DiMedio & Co., Kirchhoff, and Kirchhoff Organization are jointly and severally liable to Claimants and shall pay to Claimants the sum of \$115,591.00. No prejudgment interest is awarded on this amount;
2. That Claimants' claim for punitive damages is denied in its entirety;
3. That Respondents' DiMedio, DiMedio & Co., and DiMedio Kirchhoff & Co.'s counterclaim is denied in its entirety;
4. That Respondents' DiMedio, DiMedio & Co., and DiMedio Kirchhoff & Co.'s Crossclaim is denied in its entirety;
5. That the parties shall bear their respective costs, except as Fees are specifically addressed below; and,
6. That any and all claims for damages not specifically addressed herein are denied in their entirety.

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
Counter claim and Cross claim filing fee	= \$1,000

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 firms are parties.

Member surcharge	= \$1,500
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Pre-hearing process fee	= \$600
Hearing process fee	= \$2,500

Kirchoff Organization's NASD membership was cancelled as of April 7, 2000 and therefore membership fees assessed against Kirchoff Organization have been waived by the NASD.

DiMedio & Co.'s NASD membership was cancelled as of May 2, 2001 and therefore membership fees which would have been assessed after that date against DiMedio & Co. have been waived by the NASD. The Hearing process fee, in the amount of \$2,500 was assessed after the May 2, 2001, and is therefore waived.

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

Two (2) Pre-hearing sessions with Panel x \$1,125	= \$2,250
Pre-hearing conferences: June 26, 2001	1 session
September 4, 2001	1 session
Two (2) Hearing sessions x \$1,125	= \$2,250
Hearing Date: November 9, 2001	2 sessions
Total Forum Fees	= \$4,500

The Panel has assessed \$4,500 of the forum fees to jointly and severally to Respondents DiMedio, DiMedio & Co., Kirchhoff, and Kirchhoff Organization.

Fee Summary

Claimants are assessed the following fees:

Initial Filing Fee	= \$ 300
Total Fees	= \$ 300
Less payments	= \$ 1,425
Refund from NASD Dispute Resolution, Inc.	= \$ 1,125
Respondent, DiMedio & Co., is assessed the following fees:	
Member Fees	= \$ 2,100
Total Fees	= \$ 2,100

Less payments = \$ 00

Balance Due NASD Dispute Resolution, Inc. = \$ 2,100

Respondents, DiMedio and DiMedio & Co., are assessed the following fees jointly and severally:

Filing Fees = \$1,000

Balance Due NASD Dispute Resolution, Inc. = \$1,000

Respondents, DiMedio, DiMedio & Co., Kirchhoff, and Kirchhoff Organization, are assessed the following fees jointly and severally:

Forum Fees = \$4,500

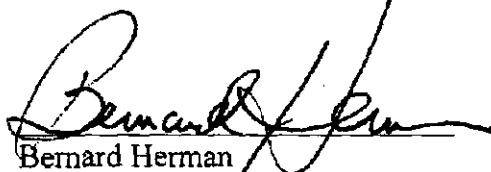
Balance Due NASD Dispute Resolution, Inc. = \$4,500

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Bernard Herman	-	Public Arbitrator, Presiding Chairman
Marshall S. Galinsky	-	Public Arbitrator, Panelist
Marvin B. Roffman	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Bernard Herman
Public Arbitrator, Presiding Chairman

13 December 01
Signature Date

Marshall S. Galinsky
Public Arbitrator, Panelist

Signature Date

Marvin B. Roffman
Non-Public Arbitrator, Panelist


Signature Date

12/18/01
Date of Service (For NASD-Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Bernard Herman
Public Arbitrator, Presiding Chairman

Signature Date



Marshall S. Galinsky
Public Arbitrator, Panelist

12/12/01

Signature Date

Marvin B. Roffman
Non-Public Arbitrator, Panelist

Signature Date

12/18/01

Date of Service (For NASD-Dispute Resolution office use only)

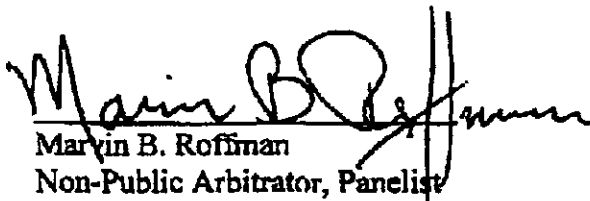
Concurring Arbitrators' Signatures

Bernard Herman
Public Arbitrator, Presiding Chairman

Signature Date

Marshall S. Galinsky
Public Arbitrator, Panelist

Signature Date


Marvin B. Roffman
Non-Public Arbitrator, Panelist

12/17/01

Signature Date

12/18/01
Date of Service (For NASD-Dispute Resolution office use only)