

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Vincenzo and Maria Perfli

and

00-03685
Southfield, Michigan

CCM Financial Corporation
Seger Financial, Inc.
Washington Square Securities, Inc.
Donald J. Whitton
Jeffrey A. Egan

REPRESENTATION OF PARTIES

Vincenzo and Maria Perfli were represented by David M. Foster, David M. Foster, P.C., Farmington Hills, Michigan.

CCM Financial Corporation ("CCM") was represented by Dennis J. Levasseur, Esq., Bodman, Longley & Dahling, LLP, Detroit, Michigan.

Seger Financial, Inc. ("Seger") was represented by Gerald Van Wyke, Esq., Ufer & Spaniola, P.C. Bloomfield Hills, Michigan.

Washington Square Securities, Inc. ("WSSI") was represented by Frank A. Taylor, Esq., Hinshaw & Culbertson, Minneapolis, Minnesota.

Donald J. Whitton ("Whitton") : pro se.

Jeffrey A. Egan ("Egan") : did not appear.

CASE INFORMATION

The Statement of Claim was filed on or about August 15, 2000. Submission Agreement of Claimants Vincenzo Perfli and Maria Perfli was signed on August 8, 2000.

Statement of Answer was filed by Respondent CCM Financial Corporation on or about October 17, 2000.

No Statement of Answer was filed by Respondent Seger Financial, Inc. Seger submitted a letter to NASD on or about October 16, 2000.

Statement of Answer and Motion to Dismiss was filed by Respondent Washington Square Securities, Inc. on or about December 12, 2000. Submission Agreement of Respondent Washington Square Securities, Inc. was signed on December 11, 2000.

Statement of Answer was filed by Respondent Donald J. Whitton on or about October 19, 2000. Submission Agreement of Donald J. Whitton was filed on or about October 19, 2000.

Respondent Jeffrey A. Egan did not file a Statement of Answer.

CASE SUMMARY

Claimants asserted the following causes of action: Breach of fiduciary duty for recommending unsuitable investments; Breach of fiduciary duty for failing to perform due diligence on the "MCA" securities or properly monitor MCA after the sales to claimants; Breach of fiduciary duty for failure to properly supervise employees; Fraudulent misrepresentation; Innocent misrepresentation; Violation of Section 10(b) of the Security Exchange Act and SEC Rule 10B-5 for disseminating false and misleading information; and Negligence. The causes of action relate to the sale of MCA Participation Certificates.

RELIEF REQUESTED

Claimant requested an award in the amount of \$100,584.00 in compensatory damages, plus punitive damages of approximately \$301,752.00 pursuant to common law, attorney fees pursuant to common law, costs and interest.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondent Jeffrey A Egan has been properly served with the Statement of Claim pursuant to Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondent Jeffrey A. Egan had received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

Respondent Jeffrey A. Egan did not file with the NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and is bound by the determination of the arbitration panel on all issues submitted.

Respondent Donald J. Whitton filed for bankruptcy on or about January 11, 2001. The Panel did not adjudicate any claims against Respondent Whitton.

Claimants settled with Respondent Seger Financial, Inc. on or about December 1, 2000. The Panel did not adjudicate any claims against Seger.

Claimants dismissed Respondent Washington Square Securities, Inc. with prejudice on or about July 9, 2001. The Panel did not adjudicate any claims against Respondent WSSI.

At hearing, Claimants advised the Panel that they had reached a settlement with Respondents CCM Financial Corp. The Panel did not adjudicate any claims against Respondent CCM.

The party present has agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent, Jeffrey A. Egan, is solely liable for and shall pay to Claimants, Vincenzo and Maria Perfili, jointly and severally, the sum of \$85,584.00 in compensatory damages;
- 2.) Respondent, Jeffrey A. Egan, is solely liable for and shall pay to Claimants, Vincenzo and Maria Perfili, jointly and severally, the sum of \$29,003.00 in attorneys fees pursuant to common law;
- 3.) Respondent, Jeffrey A. Egan, is solely liable for and shall pay to Claimants, Vincenzo and Maria Perfili, jointly and severally, the sum of \$300.00 in NASD filing fees;
- 4.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 5.) 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 the non-refundable filing fees for each claim:

Initial claim filing fee	= \$300.00
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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 CCM Financial Corporation, Seger Financial, Inc., and Washington Square Securities, Inc.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Forum Fees and Assessments

The Arbitration 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: September 7, 2001	1 session
Two (2) Pre-hearing sessions with Panel x \$1,125.00	= \$2,250.00
Pre-hearing conferences: March 15, 2001	1 session
October 12, 2001	1 session
One (1) Hearing session x \$1,125.00	= \$1,125.00
Hearing Date: November 26, 2001	1 session
Total Forum Fees	= \$3,825.00

The Arbitration Panel has assessed \$3,825.00 of the forum fees solely to Jeffrey A. Egan.

Fee Summary

Claimants, Vincenzo and Maria Perfilli, are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 1,425.00
Balance refunded by NASD Dispute Resolution, Inc.	= \$ 1,125.00

Respondent, CCM Financial Corporation, is liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
Less payments	= \$ 188.05
Balance Due NASD Dispute Resolution, Inc.	= \$4,411.95

Respondent, Seger Financial, Inc. is liable for:

Member Fees	= \$2,100.00
Total Fees	= \$2,100.00
Less payments	= \$ 105.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,995.00

Respondent, Washington Square Securities, Inc., is liable for:

Member Fees	= \$ 4,600.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Jeffrey A. Egan is solely liable for:

Forum Fees	= \$ 3,825.00
Total Fees	= \$ 3,825.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,825.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Thomas C. Wagner, Esq. - Public Arbitrator, Presiding Chair
William D. Keller - Public Arbitrator
Ann D. Kuhna - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Thomas C. Wagner
Thomas C. Wagner, Esq.
Public Arbitrator, Presiding Chair

01/08/02
Signature Date

/s/ William D. Keller
William D. Keller
Public Arbitrator

01/04/02
Signature Date

/s/ Ann. D. Kuhna
Ann D. Kuhna
Non-Public Arbitrator

01/10/02
Signature Date

01/10/02
Date of Service (For NASD office use only)

Respondent, Seger Financial, Inc. is liable for:

Member Fees	= \$2,100.00
Total Fees	= \$2,100.00
Less payments	= \$ 105.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,995.00

Respondent, Washington Square Securities, Inc., is liable for:

Member Fees	= \$ 4,600.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Jeffrey A. Egan is solely liable for:

Forum Fees	= \$ 3,825.00
Total Fees	= \$ 3,825.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,825.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Thomas C. Wagner, Esq. - Public Arbitrator, Presiding Chair
William D. Keller - Public Arbitrator
Ann D. Kuhna - Non-Public Arbitrator

Concurring Arbitrators:

Thomas C. Wagner, Esq.
Public Arbitrator, Presiding Chair

Signature Date

William D. Keller
William D. Keller
Public Arbitrator

Jan. 4, 2002
Signature Date

Ann D. Kuhna
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 00-03885
Award Page 5 of 5

Respondent, Seger Financial, Inc. is liable for:

Member Fees	= \$2,100.00
Total Fees	= \$2,100.00
Less payments	= \$ 105.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,995.00

Respondent, Washington Square Securities, Inc., is liable for:

Member Fees	= \$ 4,600.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Jeffrey A. Egan is solely liable for:

Forum Fees	= \$ 3,825.00
Total Fees	= \$ 3,825.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,825.00

All balances are due to NASD Dispute Resolution, Inc.

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William D. Keller - Public Arbitrator
Ann D. Kuhna - Non-Public Arbitrator

Concurring Arbitrators:

Thomas C. Wagner, Esq.
Public Arbitrator, Presiding Chair

Signature Date

William D. Keller
Public Arbitrator

Signature Date



Ann D. Kuhna
Non-Public Arbitrator



Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 00-03685
Award Page 5 of 5

Respondent, Seger Financial, Inc. is liable for:

Member Fees	= \$2,100.00
Total Fees	= \$2,100.00
Less payments	= \$ 105.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,995.00

Respondent, Washington Square Securities, Inc., is liable for:

Member Fees	= \$ 4,600.00
Total Fees	= \$ 4,600.00
Less payments	= \$ 4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Jeffrey A. Egan is solely liable for:

Forum Fees	= \$ 3,825.00
Total Fees	= \$ 3,825.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,825.00

All balances are due to NASD Dispute Resolution, Inc.

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William D. Keller - Public Arbitrator
Ann D. Kuhna - Non-Public Arbitrator

Concurring Arbitrators:

Thomas C. Wagner
Thomas C. Wagner, Esq.
Public Arbitrator, Presiding Chair

Signature Date

William D. Keller
Public Arbitrator

Signature Date

Ann D. Kuhna
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)