

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Mitchell Epstein, Executor for the Estate of Shirley Epstein, and
Trustee of the Shirley Epstein Revocable Trust dtd 09/24/2001

and

00-04027
Kansas City, Missouri

Name of Respondents

Stifel Nicolaus & Company, Inc.
Anton R. Cecrle
Lawrence A. Manica

REPRESENTATION OF PARTIES

Mitchell Epstein, Executor for the Estate of Shirley Epstein, and Trustee of the Shirley Epstein Revocable Trust dtd 09/24/2001 ("**Claimant**") was represented by Barry D. Estell, Esq., Mission, Kansas. This matter was originally filed by Shirley Epstein who passed away prior to the hearing on the merits.

Stifel Nicolaus & Company, Inc. ("**Respondent Stifel**"), Anton R. Cecrle ("**Respondent Cecrle**") and Lawrence A. Manica ("**Respondent Manica**") (collectively as "**Respondents**") were represented by Jeffrey J. Kalinowski, Esq., Richard H. Kuhlman, Esq., and Carrie J. Bechtold, Esq., Blackwell Sanders Peper Martin, LLP, St. Louis, Missouri.

CASE INFORMATION

The Statement of Claim was filed on or about September 14, 2000. Letter amending Statement of Claim was filed on or about September 27, 2000. Motion to Allow Amended Statement of Claim was filed on or about March 19, 2001. Second Amended Statement of Claim was filed on or about Submission Agreement of Claimant Shirley Epstein was signed on September 29, 2000. Submission Agreement of Claimant Mitchell Epstein, Executor for the Estate of Shirley Epstein, and Trustee of the Shirley Epstein Revocable Trust dtd 09/24/2001 was undated and filed on February 19, 2002.

Answer of Respondents Anton R. Cecrle, Lawrence A. Manica and Stifel Nicolaus & Company, Inc. was filed on or about November 20, 2000. First Amended Answer of Respondents Anton R. Cecrle, Lawrence A. Manica and Stifel Nicolaus & Company, Inc. was filed on or about January 9, 2001. Answer of Respondents Anton R. Cecrle, Lawrence A. Manica and Stifel Nicolaus & Company, Inc. to Claimant's Second Amended Statement of Claim was filed on or about April 24, 2001.

Submission Agreement of Respondent Stifel Nicolaus & Company, Inc. was signed on October 5, 2000 by Forrest M. Smith. Submission Agreement of Respondent Anton R. Cecrle was signed on January 9, 2001. Submission Agreement of Respondent Lawrence A. Manica was signed on January 9, 2001.

CASE SUMMARY

Claimant alleged that Respondents violated the Kansas Securities Acts; engaged in fraud and misrepresentation; were negligent; engaged in breach of contract; violated NASD and exchange rules; and engaged in breach of fiduciary duty. Specifically, Claimant alleged that Respondent Cecrle made unsuitable investment recommendations and misrepresented securities contrary to her best interests and investment objectives. Claimant also alleged that Respondents Stifel and Manica failed to properly supervise the activities of Respondent Cecrle.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that the investments purchased in Claimant's accounts were entirely appropriate, suitable investments for her and were made with her full knowledge, consent and authorization. It was also stated that Claimant monitored each and every transaction and the performance of her account on a regular basis. Respondents also stated that Claimant enjoyed constant contact and communication with her broker.

RELIEF REQUESTED

In her letter amending the Statement of Claim, Claimant requested an award in the amount of \$98,340.88, which sum included a request for punitive damages in the amount of \$3,000.00 and other costs. In the Second Amended Statement of Claim, Claimant requested rescission under §17-1268 of the Kansas Securities Act; return of all commissions, markups and markdowns paid to Respondent Stifel; and unspecified punitive damages, as the arbitrators determine to be just after consideration of the evidence.

Respondents requested that the Arbitration Panel dismiss all claims of Claimant's Second Amended Statement of Claim, with prejudice, award them their costs and attorneys' fees incurred herein and confer such other and further relief as they deem just and proper under the circumstances.

OTHER ISSUES CONSIDERED & 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. 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. The claims asserted in this matter shall be and hereby are dismissed and denied in their entirety.
2. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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(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(s) is(are) Stifel Nicolaus & Company, Inc..

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Adjournment Fees

Adjournments requested during these proceedings:

November 6-8, 2001 Hearing Date(s), adjournment requested by Respondents. Fee waived by the Arbitration Panel

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:

Two (2) Pre-hearing session(s) with a single arbitrator x \$450.00	= \$ 900.00
Pre-hearing conference(s): June 5, 2001 1 session	
January 29, 2002 1 session	
Three (3) Pre-hearing session(s) with Panel x \$750.00	= \$2,250.00
Pre-hearing conference(s): March 29, 2001 1 session	
June 13, 2001 1 session	
January 24, 2002 1 session	
Four (4) Hearing sessions x \$750.00	= \$3,000.00
Hearing Date(s): May 1, 2002 2 sessions	
<u>May 2, 2002</u> <u>2 sessions</u>	
Total Forum Fees	= \$6,150.00

The Arbitration Panel has assessed \$750.00 of the forum fees to Mitchell Epstein, Executor for the Estate of Shirley Epstein, and Trustee of the Shirley Epstein Revocable Trust dtd 09/24/2001.

The Arbitration Panel has assessed \$5,400.00 of the forum fees to Stifel Nicolaus & Company, Inc.

Fee Summary

Claimant, Mitchell Epstein, Executor for the Estate of Shirley Epstein, and Trustee of the Shirley Epstein Revocable Trust dtd 09/24/2001, shall be and hereby is liable for:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	= \$ 750.00
Total Fees	= \$ 975.00
<u>Less payments</u>	= \$ 975.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent, Stifel Nicolaus & Company, Inc., shall be and hereby is liable for:

Member Fees	= \$3,100.00
<u>Forum Fees</u>	= \$5,400.00
Total Fees	= \$8,500.00

Less payments

= \$3,275.00

Balance Due NASD Dispute Resolution, Inc.

= \$5,225.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Richard D. Sewell - Public Arbitrator, Presiding Chair

Michael D. Fitzgerald - Public Arbitrator

Melford V. McCormick - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Richard D. Sewell

Richard D. Sewell

Public Arbitrator, Presiding Chair

Signature Date

/s/ Michael D. Fitzgerald

Michael D. Fitzgerald

Public Arbitrator

June 11, 2002

Signature Date

/s/ Melford V. McCormick

Melford V. McCormick

Non-Public Arbitrator

June 11, 2002

Signature Date

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Less payments

Balance Due NASD Dispute Resolution, Inc.

= \$3,275.00

= \$5,225.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Richard D. Sewell - Public Arbitrator, Presiding Chair
Michael D. Fitzgerald - Public Arbitrator
Melford V. McCormick - Non-Public Arbitrator

Concurring Arbitrators:

Richard D. Sewell
Richard D. Sewell
Public Arbitrator, Presiding Chair

Signature Date

Michael D. Fitzgerald
Public Arbitrator

Signature Date

Melford V. McCormick
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 00-04027
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Less payments

= \$3,275.00

Balance Due NASD Dispute Resolution, Inc.

= \$5,225.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Richard D. Sewell - Public Arbitrator, Presiding Chair
Michael D. Fitzgerald - Public Arbitrator
Melford V. McCormick - Non-Public Arbitrator

Concurring Arbitrators:

Richard D. Sewell
Public Arbitrator, Presiding Chair

Signature Date


Michael D. Fitzgerald
Public Arbitrator

JUN 11, 2002
Signature Date

Melford V. McCormick
Non-Public Arbitrator

Signature Date

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Arbitration No. 00-04027
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Less payments

- \$3,275.00

Balance Due NASD Dispute Resolution, Inc.

- \$5,225.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Richard D. Sewell - Public Arbitrator, Presiding Chair

Michael D. Fitzgerald - Public Arbitrator

Melford V. McCormick - Non-Public Arbitrator

Concurring Arbitrators:

Richard D. Sewell
Public Arbitrator, Presiding Chair

Signature Date

Michael D. Fitzgerald
Public Arbitrator

Signature Date



Melford V. McCormick
Non-Public Arbitrator



Signature Date