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Award  
NASD Dispute Resolution, Inc.

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In the Matter of the Arbitration Between:

David and Karen Ballard  
Claimants,

Vs.

Scott Weissman, Paul Pace, Brian M. Thornton, Robin Ketcham-Maes, Clifford T. Morgan, Warren R. Markowitz, EBI Securities Corp. (n/k/a Global Securities Corporation, Inc.)  
Respondents.

Case Number: 00-04091

Hearing Site: Dallas, Texas

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REPRESENTATION OF PARTIES

Claimants, David and Karen Ballard ("Ballards"): Robert L. Wright, Esq. of the firm Gardere Wynne Sewell LLP, Dallas, Texas.

Respondents, Paul J. Pace ("Pace"), Brian M. Thornton ("Thornton"), Scott J. Weissman ("Weissman"): Michael P. Gilmore, Esq. of the firm Sims Moss Kline & Davis L.L.P., Mineola, New York.

Respondents, Robin Ketcham-Maes ("Ketcham-Maes"), Clifford T. Morgan, ("Morgan"), Warren R. Markowitz ("Markowitz"), EBI Securities Corp. (n/k/a/ Global Securities Corporation, Inc.) ("EBI"): Frank Susman, Esq. of the firm Susman, Schermer, Rimmel & Shifrin, L.L.C., St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed on or about: October 4, 2000.

Claimants signed the Uniform Submission Agreement on September 5, 2000.

Claimants filed an Amended Statement of Claim on January 16, 2001.

Respondents, Pace, Thornton, and Weissman jointly filed a Statement of Answer on or about November 30, 2000.

Respondents, Ketcham-Maes, Morgan, Markowitz, and EBI, jointly filed a Statement of Answer on or about December 6, 2000.

Respondent EBI (n/k/a Global Capital Securities Corporation, Inc.) filed a Statement of Answer to the Amended Statement of Claim on or about: January 30, 2001.

Respondent Thornton filed a Statement of Answer to the Amended Statement of Claim on or about: February 21, 2001.

The NASD has no record of Respondent Pace's signed Uniform Submission Agreement.

The NASD has no record of Respondent Thornton's signed Uniform Submission Agreement.

The NASD has no record of Respondent Ketcham-Maes' signed Uniform Submission Agreement.

The NASD has no record of Respondent Morgan's signed Uniform Submission Agreement.

The NASD has no record of Respondent Markowitz's signed Uniform Submission Agreement.

The NASD has no record of Respondent EBI's signed Uniform Submission Agreement.

The NASD has no record of Respondent Weissman's signed Uniform Submission Agreement.

#### CASE SUMMARY

Claimants alleged the following causes of action against the Respondents: failure to supervise, negligence, misrepresentation/non-disclosure, failure to execute, churning, non-compliance with margin rules and omission of facts. Claimants sought recovery from Respondents for losses they allegedly sustained through the mishandling of their account involving Preview Travel and Network Associates, Inc. securities.

Respondents, Pace, Thornton and Weissman denied the allegations set forth in the Statement of Claim and asserted defenses including the following: Claimants have failed to state a Claim against Respondents Pace, Thornton and Weissman for which relief may be granted; the arbitration is barred by the applicable statute of limitations; Claimants, with full knowledge of all material facts concerning the relevant securities, accounts, waived the alleged claims set forth in the Claim and the alleged damage resulting there from, by failing to take timely and appropriate action prior to incurring such damage; Respondents Pace, Thornton and Weissman, in discharging their duties, if any, to Claimants, acted in good faith and exercised that degree of care, diligence and skill which ordinarily prudent persons would exercise in similar circumstances and like positions.

Respondents, Morgan, Ketchum-Maes, Markowitz and EBI (n/k/a Global Capital Securities Corporation) denied the allegations and asserted defenses including the following: at all relevant times, Claimants were knowledgeable and experienced investors and was well aware of both the potential rewards and risks of the securities marketplace; at all relevant times, Claimants were individuals of substantial financial means and resources; all transactions within Claimants' account at EBI n/k/a Global were done with the full knowledge of and the direction of Claimants; all transactions within Claimants' account at Respondent, EBI n/k/a Global were done within the strict confines of Claimants' specific written authorization of the account opening documents, including but not limited to a margin trading agreement; Claimants in the Claim make no mention whatsoever of Respondents, Morgan, Ketchum-Maes or Markowitz and no claims or allegations of wrongdoing are asserted against them by Claimants; the claims of Claimants against Respondents Morgan, Ketchum-Maes and Markowitz are groundless under the very wording of Claimants' claims and should be dismissed and expunged from any official record under the authority of Rules 10305 and 10324 of the NASD Code of Arbitration Procedure.

Unless specifically admitted in the Statement of Answer, Respondent, EBI denied all allegations set forth in the Amended Statement of Claim and asserted additional defenses including the following: all transactions in the Claimants' account were done with the full knowledge of and at the direction of the Claimants; all transactions within Claimants' accounts were done within the strict confines of Claimants' specific written authorizations of their accounts opening documents, including but not limited to a margin trading agreement; any losses incurred by Claimants were a direct result of Claimants' own personal misjudgment of market conditions, trends and events; any losses incurred by Claimants were a direct result of Claimants' lack of prudence, diligence and attentiveness; any losses incurred by Claimants and attributable to any wrongful or negligent act or omission by one or more Respondents are barred by Claimant's approval, acceptance and ratification of any said wrongful or negligent act or omission by one or more Respondents; Claimant, David Ballard on more than one occasion expressly stated in writing to Respondent, EBI (n/k/a Global) his total satisfaction with the performance of Global and its employees both as to the trading activity and as to the handling of his accounts; Claimants' claims are barred by the applicable statute of limitations.

Respondent Thornton in his Statement of Answer to the Amended Statement of Claim denied the allegations and asserted additional defenses including the following: Claimants have failed to state a Claim upon which relief may be granted; this arbitration is barred by the applicable statute of limitations; Claimants with full knowledge of all material facts concerning the relevant securities accounts waived the alleged claims set forth in the claim and the alleged damage resulting there from by failing to take timely and appropriate action prior to incurring such damage; Respondent Thornton, in discharging his duties, if any, to Claimants, acted in good faith and exercised at least that degree of care, diligence and skill which ordinarily prudent persons would exercise in similar circumstances and like positions.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$215,996.25
Attorney's Fees	unspecified
Costs	unspecified

Respondents Morgan, Ketchem-Maes and Markowitz requested that Claimants' claim should be dismissed and expunged from any of their professional records and that these Respondents be awarded their attorney's fees and costs, herein incurred.

Respondents Pace, Thornton, EBI and Weissman requested that all of the causes for relief set forth in the Claim be denied in their entirety, that they be awarded the costs associated with this proceeding and that the arbitration panel issue an order expunging any reference to the within Claim and any attendant complaints be expunged from their securities industry records.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents, Pace, Thornton, Ketcham-Maes, Morgan, Markowitz, EBI and Weissman 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 are bound by the determination of the Panel on all issues submitted.

On October 16, 2000, Respondents EBI, Morgan, Markowitz and Ketchem-Maes filed a motion to dismiss. Respondents Weissman, Pace and Thornton filed a Motion to Dismiss on or about November 29, 2000. Respondents, EBI, Morgan, Markowitz and Ketchem-Maes, filed a second Motion to Dismiss on or about December 4, 2000.

On December 18, 2000, Claimants David and Karen Ballard agreed to dismiss all claims filed against Respondents, Scott Weissman, Paul Pace, Clifford T. Morgan, Robin Ketchem-Maes, and Warren R. Markowitz. Therefore, the panel made no further ruling as to these Respondents. The matter proceeded against Respondents Thornton and EBI.

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, and post hearing submission on attorneys' fees, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That any and all relief requested by Claimants David and Karen Ballard against Respondents, EBI Securities (n/k/a Global Capital Securities Corporation) and Brian M. Thornton is hereby dismissed and denied;
2. That on December 18, 2000, Claimants David and Karen Ballard agreed to dismiss all claims filed against Respondents, Scott Weissman, Paul Pace, Clifford T. Morgan, Robin Ketchem-Maes, and Warren R. Markowitz. Therefore, the panel makes no further ruling as to these Respondents;
3. That except as specified otherwise herein, each party shall bear its own costs and attorney's fees;
4. That 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

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial Claim Filing Fee	= \$300
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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 that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is Respondent, EBI Securities Corp. (n/k/a Global Securities Corporation, Inc.)

Member surcharge	= \$ 1,500
Pre-hearing Process Fee	= \$ 600
Hearing Process Fee	= \$ 2,500
Total Member Fees	= \$ 4,600

Forum Fees and Assessments

The arbitrator has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the Arbitrator that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$1,125		= \$ 1,125
Pre-hearing conference(s):	February 22, 2001	1 session
Seven (7) Hearing sessions x \$1,125		= \$ 7,875
Hearing Date(s):	June 18, 2001	2 sessions
	June 19, 2001	2 sessions
	June 20, 2001	3 sessions
Total Forum Fees		= \$9,000

The Panel has assessed one-third (1/3) of the Forum Fees to the Claimants, David and Karen Ballard, and one-third (1/3) of the Forum Fees each to the Respondents, Thornton and EBI.

1. Claimants, David and Karen Ballard shall pay \$3,000 in Forum Fees.
2. Respondent, EBI Securities Corp. shall pay \$3000 in Forum Fees.
3. Respondent, Brian M. Thornton shall pay \$3000 in Forum Fees.

Fee Summary

1. Claimants, David and Karen Ballard, be and hereby are jointly and severally liable for:

Forum Fees	= \$3,000
<u>Claim Filing Fee</u>	= \$ 300
Total Fees	= \$3,300
<u>Less payments</u>	= \$1,455
Balance Due NASD Dispute Resolution, Inc.	= \$1,845

2. Respondent, EBI Securities Corp. (n/k/a Global Capital Securities Corporation), be and hereby is solely liable for:

Forum Fees	= \$ 3,000
<u>Member Fees</u>	= \$ 4,600
Total Fees	= \$ 7,600
<u>Less payments</u>	= \$ 2,100
Balance Due NASD Dispute Resolution, Inc.	= \$ 5,500

3. Respondent, Brian M. Thornton, be and hereby is solely liable for:

<u>Forum Fees</u>	= \$ 3,000
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Total Fees	= \$ 3,000
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,000

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Jonathan A. Pace, Esq.	-	Public, Presiding Chair
Jan Glenn Valecka	-	Non-Public Arbitrator
Arno C. Schwethelm	-	Public Arbitrator

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Jonathan A. Pace, Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Jan Glenn Valecka  
Non-Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Arno C. Schwethelm  
Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

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

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Total Fees	= \$ 3,000
<u>Less payments</u>	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,000

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

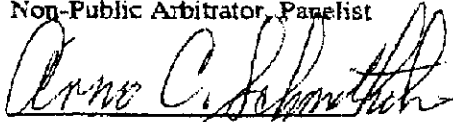
Jonathan A. Pace, Esq.	-	Public, Presiding Chair
Jan Glenn Valecka	-	Non-Public Arbitrator
Arno C. Schwethelm	-	Public Arbitrator

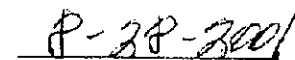
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Jonathan A. Pace, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

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Jan Glenn Valecka  
Non-Public Arbitrator, Panelist

\_\_\_\_\_  
Signature Date

  
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Arno C. Schwethelm  
Public Arbitrator, Panelist

  
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Total Fees	= \$ 3,000
Less payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,000

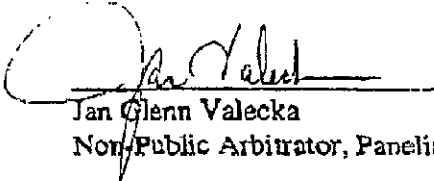
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ARBITRATION PANEL

Jonathan A. Pace, Esq.	-	Public, Presiding Chair
Jan Glenn Valecka	-	Non-Public Arbitrator
Arno C. Schwethelm	-	Public Arbitrator

Jonathan A. Pace, Esq.  
Public Arbitrator, Presiding Chair

Signature Date

  
Jan Glenn Valecka  
Non-Public Arbitrator, Panelist

08-29-2001  
Signature Date

Arno C. Schwethelm  
Public Arbitrator, Panelist

Signature Date

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Total Fees	= \$ 3,000
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,000

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Jonathan A. Pace, Esq.	-	Public, Presiding Chair
Jan Glenn Valecka	-	Non-Public Arbitrator
Arno C. Schwethelm	-	Public Arbitrator

  
Jonathan A. Pace, Esq.  
Public Arbitrator, Presiding Chair

Aug 29, 2001  
Signature Date

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Jan Glenn Valecka  
Non-Public Arbitrator, Panelist

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Signature Date

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Arno C. Schwethelm  
Public Arbitrator, Panelist

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