

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Claimant/Counter-Respondent

First of Michigan Corp.

and

00-04498
Southfield, Michigan

Respondents/Counterclaimants/Third Party Claimants

Robert R. Richards and Elizabeth Richards

and

Third Party Respondents

Noel Reschke
Violet Kobielski, and
Brian Rentz

REPRESENTATION OF PARTIES

First of Michigan Corp. ("FOMC") Noel Reschke ("Reschke"), Violet Kobielski ("Kobielski"), Brian Rentz ("Rentz") were represented by A. Michael Palizzi, Esq., Miller Canfield, Detroit, Michigan. Claimant was formerly represented by Jeffrey D. Plopa, Esq. and Marco G. DeSanto, Esq., Warner, Norcross & Judd, LLP, Southfield, Michigan, until on or about April 2, 2001.

Robert R. Richards and Elizabeth Richards ("the Richards") were represented by Robert R. Goldsmith, Esq., Southfield, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about October 6, 2000. The Submission Agreement of Claimant First of Michigan Corp. was signed on October 3, 2000.

The Response, Counterclaims and Third Party Claims were filed by Respondent Robert R. Richards and Elizabeth Richards on or about December 1, 2000. The Submission Agreement of Respondent Robert R. Richards and Elizabeth Richards was signed on December 1, 2000.

The Response to Counterclaims and Third-Party Claims was filed by FOMC, Reschke, Kobielski, and Rentz on or about December 22, 2000. FOMC, Reschke, Kobielski, and Rentz filed a Motion to Dismiss Respondents' Counterclaims as a Matter of Law on or

about September 7, 2001. The Richards filed a Brief in Opposition to Motion to Dismiss on or about September 24, 2001. FOMC, Reschke, Kobielski, and Rentz filed a Reply Brief in Support of Motion to Dismiss Counterclaims on or about October 2, 2001.

The Richards filed Motions to Correct Procedural Deficiencies and Unfairness, Motion for Written Explanation of Panel's Decision to Dismiss All Our Claims on FofM's Motion, Motion for Reconsideration of Panel's Decision to Dismiss All Our Claims on FofM's Motion, and Motion to Compel Discovery – to Provide Us With Requested Documents and Information, and Brief in Support of the Several Motions of Robert and Elizabeth Richards on or about January 4, 2002. FOMC, Reschke, Kobielski, and Rentz filed a Response in Opposition to Respondents' Motions and Request for Sanctions on or about January 14, 2002. The Richards filed a Reply Brief Regarding the Motions by Robert and Elizabeth Richards, and Response to First of Michigan's Request for Sanctions on or about January 24, 2002.

CASE SUMMARY

FOMC asserted that Respondents failed to repay an unsecured debt balance in their joint account. The claim relates to assets derived from mutual funds received from the probated estate of Elmer R. Richards, whose account was mistakenly credited with 19,347.337 shares of Oppenheimer Municipal Bond Fund Class A by an inadvertent transfer from the Elmer A. Richards Trust.

Unless specifically admitted in their Response, the Richards denied the allegations made in the Statement of Claim and asserted Counterclaims and Third Party Claims including: Conversion, Violations of securities laws including SEC Rule 10b-5, statutory fraud, and failure to supervise; Fraud, negligent misrepresentation, and innocent misrepresentation; Negligence or gross negligence; Breach of contract; and Breach of fiduciary duties.

RELIEF REQUESTED

FOMC requested an award in the amount of \$29,821.91, plus attorney's fees and costs.

The Richards requested that the claims asserted against them be denied in their entirety. In their Counterclaim and Third Party Claim, the Richards requested that they be awarded approximately \$151,000.00 in damages and approximately \$10,000.00 of interest, for a total of approximately \$161,000.00, \$178,000.00, or \$188,000.00. The Richards also requested \$100,000.00 in punitive damages and/or exemplary damages, specific performance and/or equitable relief, an investigation of FOMC by the NASD, SEC, or other agency, a cease and desist order, licensing sanctions, costs and attorney fees, and such other and further relief as justice requires.

OTHER ISSUES CONSIDERED & DECIDED

Third Party Respondents, Noel Reschke, Violet Kobielski, and Brian Rentz, did not file with the NASD Dispute Resolution, Inc., properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the Third Party Claims, as well as having appeared and testified at the hearing, are bound by the determination of the arbitration panel on all issues submitted.

On or about October 17, 2001, and after oral arguments, the Panel granted the Motion to Dismiss Respondents' Counterclaims as a Matter of Law filed by FOMC, Reschke, Kobielski, and Rentz, specifically disposing of all Counterclaims and Third Party Claims.

On or about March 15, 2002, the Panel denied the Richards' Motions to Correct Procedural Deficiencies and Unfairness, Motion for Written Explanation of Panel's Decision to Dismiss All Our Claims on FofM's Motion, Motion for Reconsideration of Panel's Decision to Dismiss All Our Claims on FofM's Motion, and Motion to Compel Discovery – to Provide Us With Requested Documents and Information.

The Panel denied FOMC's Motion for Sanctions.

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 originals 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.) First of Michigan Corp.'s claims, each and all, are denied in their entirety ;
- 2.) First of Michigan Corp. is ordered to provide Robert and Elizabeth Richards amended 1099s on or before April 10, 2002;
- 3.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) That any relief not specifically enumerated, including punitive and exemplary 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	= \$ 1,000.00
Counterclaim/Third Party Claim filing fee	= \$ 300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is First of Michigan Corp.

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

Adjournment Fees

Adjournments requested during these proceedings:

October 16-17, 2001, adjournment by the Richards	= \$ 1,125.00
--	---------------

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: May 1, 2001 1 session	

Two (2) Pre-hearing sessions with Panel x \$1,125.00	= \$2,250.00
Pre-hearing conferences: April 12, 2001 1 session	
October 16, 2001 1 session	

Two (2) Hearing sessions x \$1,125.00	= \$2,250.00
Hearing Date: March 19, 2002 2 sessions	
Total Forum Fees	= \$4,950.00

The Arbitration Panel has assessed \$4,950.00 of the forum fees to First of Michigan Corp.

Fee Summary

Claimant, First of Michigan Corp., is liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,700.00
Forum Fees	= \$ 4,950.00
<u>Total Fees</u>	<u>= \$ 9,650.00</u>
<u>Less payments</u>	<u>= \$ 2,650.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 7,000.00

Respondents, Robert R. Richards and Elizabeth Richards, are jointly and severally liable for:

Counterclaim and Third Party Claim Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
<u>Total Fees</u>	<u>= \$ 1,425.00</u>
<u>Less payments</u>	<u>= \$ 1,425.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Ruben Acosta, Esq. - Public Arbitrator, Presiding Chair
Irving Lopatin - Public Arbitrator
Corby A. Kiss - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Ruben Acosta, Esq.
Ruben Acosta, Esq.
Public Arbitrator, Presiding Chair

03/22/02
Signature Date

/s/ Irving Lopatin
Irving Lopatin
Public Arbitrator

03/22/02
Signature Date

/s/ Corby A. Kiss
Corby A. Kiss
Non-Public Arbitrator

03/22/02
Signature Date

03/25/02
Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
 Arbitration No. 00-04498
 Award Page 5 of 5

Fee Summary

Claimant, First of Michigan Corp., is liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,700.00
Forum Fees	= \$ 4,950.00
Total Fees	= \$ 9,650.00
Less payments	= \$ 2,650.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 7,000.00

Respondents, Robert R. Richards and Elizabeth Richards, are jointly and severally liable for:


Counterclaim and Third Party Claim Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Total Fees	= \$ 1,425.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Ruben Acosta, Esq. - Public Arbitrator, Presiding Chair
 Irving Lopatin - Public Arbitrator
 Corby A. Kiss - Non-Public Arbitrator

Concurring Arbitrators:


 Ruben Acosta, Esq.
 Public Arbitrator, Presiding Chair

3/22/02
 Signature Date

 Irving Lopatin
 Public Arbitrator

 Signature Date

 Corby A. Kiss
 Non-Public Arbitrator

 Signature Date

 Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 00-04498
Award Page 5 of 5

Fee Summary

Claimant, First of Michigan Corp., is liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,700.00
Forum Fees	= \$ 4,950.00
Total Fees	= \$ 9,650.00
Less payments	= \$ 2,650.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 7,000.00

Respondents, Robert R. Richards and Elizabeth Richards, are jointly and severally liable for:

Counterclaim and Third Party Claim Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Total Fees	= \$ 1,425.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

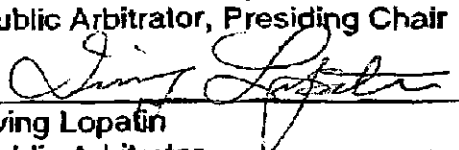
All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Ruben Acosta, Esq. - Public Arbitrator, Presiding Chair
Irving Lopatin - Public Arbitrator
Corby A. Kiss - Non-Public Arbitrator

Concurring Arbitrators:

Ruben Acosta, Esq.
Public Arbitrator, Presiding Chair


Irving Lopatin
Public Arbitrator

Signature Date

3/22/02
Signature Date

Corby A. Kiss
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 00-04498
Award Page 5 of 5

Fee Summary

Claimant, First of Michigan Corp., is liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,700.00
Forum Fees	= \$ 4,950.00
Total Fees	= \$ 9,650.00
Less payments	= \$ 2,650.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 7,000.00

Respondents, Robert R. Richards and Elizabeth Richards, are jointly and severally liable for:

Counterclaim and Third Party Claim Filing Fee	= \$ 300.00
Adjournment Fee	= \$ 1,125.00
Total Fees	= \$ 1,425.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Ruben Acosta, Esq. - Public Arbitrator, Presiding Chair
Irving Lopatin - Public Arbitrator
Corby A. Kiss - Non-Public Arbitrator

Concurring Arbitrators:

Ruben Acosta, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Irving Lopatin
Public Arbitrator

Signature Date

Corby A. Kiss
Corby A. Kiss
Non-Public Arbitrator

3/27/02
Signature Date

Date of Service (For NASD office use only)