

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Raymond B. Stoyanoff & Irene D. Stoyanoff, Claimants v. Bear, Stearns & Co., Inc. and
Matthew J. Leary, Respondents

Case Number: 00-04566

Hearing Site: Los Angeles, California

Nature of the Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

For Claimants:

T. Randolph Catanese, Esq.
Catanese & Wells
Westlake Village, California

For Respondents:

Elizabeth H. Lindh, Esq.
Todd C. Atkins, Esq.
Keesal, Young & Logan
Long Beach, California

CASE INFORMATION

Statement of Claim filed: October 11, 2000

Amended Statement of Claim filed: February 27, 2001

Claimants' Joint Uniform Submission Agreement signed: September 20, 2000

Joint Statement of Answer filed by Respondents: December 8, 2000

Joint Statement of Answer to Amended Statement of Claim filed by Respondents: March 9,
2001

Respondent Bear Stearns & Co., Inc.'s Uniform Submission Agreement signed:
November 16, 2000

CASE SUMMARY

In the Statement of Claim, Claimants alleged breach of contract, breach of fiduciary duty, negligence, misrepresentations, non-disclosures, unsuitability, omission of facts, and fraud, involving securities in FirstPlus Financial Group, Inc.

In the Amended Statement of Claim, Claimants added the allegation of churning.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and Amended Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim and Amended Statement of Claim, Claimants requested \$162,132.15 in compensatory damages, \$1,989.82 in commissions and fees, \$8,790.36 in interest paid, unspecified punitive damages, 10% interest from the date of the initial investment to the date sold, and costs, including attorney's fees.

Respondents requested dismissal of the Claimants' Statement of Claim and Amended Statement of Claim in their entirety, and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Matthew J. Leary did not file with the NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and having answered the claim and appeared at the hearing, is bound by the determination of the Panel on all issues submitted.

On March 3, 2003, Claimants and Claimants' counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On March 12, 2003, Respondents Bear, Stearns & Co., Inc. and Matthew J. Leary's counsel signed a Waiver Agreement on their behalf expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

During closing argument at the hearing, Claimants increased the amount of relief requested for compensatory damages, commissions and fees, and interest paid.

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Bear, Stearns & Co., Inc. is liable to and shall pay Claimants the sum of \$20,000.00 in compensatory damages.
- 2) Respondent Bear, Stearns & Co., Inc. is liable to and shall pay Claimants the sum of \$300.00 for reimbursement of the initial claim filing fee.
- 3) Respondent Matthew J. Leary is dismissed with prejudice.
- 4) The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Matthew J. Leary's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Matthew J. Leary must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
- 5) The parties shall bear their respective costs, including attorney's fees, except as provided above.
- 6) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, the member firm Bear, Stearns & Co., Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
Hearing Process Fee	= \$ 2,500.00
Total Member Fees	= \$ 4,600.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

3 Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$ 3,375.00
Pre-hearing conferences:	
March 5, 2002	1 session
February 27, 2003	1 session
March 18, 2003	1 session

8 Hearing sessions @ \$1,125.00/session	= \$ 9,000.00
Hearings:	
October 27, 2003	1 session
October 28, 2003	2 sessions
October 29, 2003	2 sessions
November 14, 2003	2 sessions
January 29, 2004	1 session

Total Forum Fees	= \$12,375.00
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The Panel assessed \$ 11,250.00 of the forum fees to Respondent Bear, Stearns & Co., Inc.

The Panel waived the \$ 1,125.00 forum fee for the March 18, 2003 pre-hearing conference.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Claimants requested 15 photocopies @ \$0.50 per copy:	= \$	7.50
Respondent Bear, Stearns & Co., Inc. requested 60 photocopies @ \$0.50 per page:	= \$	30.00

Fee Summary

1. Claimants are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$	300.00
<u>Administrative Costs</u>	= \$	7.50
Total Fees	= \$	307.50
<u>Less payments</u>	= \$(1,425.00)
Refund Due Claimants	= \$(1,117.50)

2. Respondent Bear, Stearns & Co., Inc. is charged with the following fees and costs:

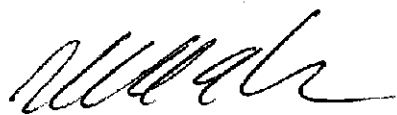
Member Fees	= \$	4,600.00
Forum Fees	= \$	11,250.00
<u>Administrative Costs</u>	= \$	30.00
Total Fees	= \$	15,880.00
<u>Less payments</u>	= \$(4,600.00)
Balance Due NASD Dispute Resolution	= \$	11,280.00

All balances are payable to NASD Dispute Resolution and are due upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Richard A. Ruben, Esq.	-	Public Arbitrator, Presiding Chair
Steven Richard Sauer, Esq.	-	Public Arbitrator
Joseph T. Donnantuoni	-	Non-Public Arbitrator

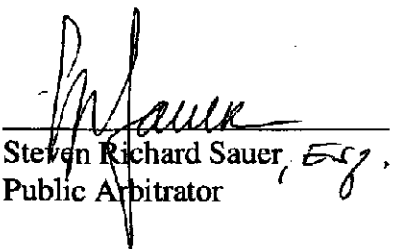
Concurring Arbitrators' Signatures



Richard A. Ruben, Esq.
Chair, Public Arbitrator

1-29-04

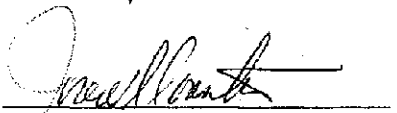
Signature Date



Steven Richard Sauer, Esq.
Public Arbitrator

1-29-04

Signature Date



Joseph T. Donnantuoni
Non-Public Arbitrator

1/29/04

Signature Date

1/29/04

Date of Service