

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Glen Devore and Judy Devore

and

00-04821
Kansas City, Missouri

Name of Respondents

Quest Capital Strategies, Inc.
Pruco Securities Corporation
Matthew Alan Mikesch

REPRESENTATION OF PARTIES

Glen Devore and Judy Devore ("**Claimants**") were represented by Stuart R. Berkowitz, Esq., Platke and Berkowitz, L.L.P., St. Louis, Missouri.

Quest Capital Strategies, Inc. ("**Respondent Quest**") was represented by Richard C. Pali, Points & Authorities, Woodland Hills, California.

Pruco Securities Corporation ("**Respondent Pruco**") was represented by Clifford E. Kirsch, Esq., Pruco Securities Corporation, Newark, New Jersey.

Matthew Alan Mikesch ("**Respondent Mikesch**") represented himself and did not appear at the hearing.

CASE INFORMATION

The Statement of Claim was filed on or about October 31, 2000. Submission Agreement of Claimant Glen Devore and Judy Devore was signed and undated.

Motion to Dismiss was filed by Respondent Quest Capital Strategies, Inc. on or about January 23, 2001.

Statement of Answer was filed by Respondent Matthew Alan Mikesch on or about December 27, 2000. Submission Agreement of Respondent Matthew Alan Mikesch was signed on January 2, 2001.

CASE SUMMARY

Claimants alleged that on or about July, 1998, they were solicited by Respondent Mikesch to purchase unsecured promissory note from First American Capital Trust. That the note was falsely represented as totally safe and secure, when in fact, it was highly risky. That Respondents Pruco and Quest failed to supervise the activities of Respondent Mikesch.

Respondent Mikesch denied the allegations set forth in the Statement of Claim. Respondent Mikesch specifically stated he believed that: the notes were being sold as exempt securities; that the product was fully discussed in accordance with the sales script provided by the company; and that disclosure materials were provided to Claimants.

RELIEF REQUESTED

Claimants requested an award in the amount of \$67,543.77 plus interest of 8% from the date of purchase, costs and reasonable attorney's fees.

Respondent Mikesch requested that the claims asserted against him be denied.

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 Matthew Alan Mikesch 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.

By letter dated December 19, 2000, Claimants advised the NASD Dispute Resolution, Inc. staff that they had settled their claims against Respondent Pruco Securities Corporation.

By letter dated March 13, 2001, Prior to the hearing, Claimants advised the NASD Dispute Resolution, Inc. staff that they wish to withdraw the claims asserted against Respondent Quest Capital Strategies, Inc. without prejudice.

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. Respondent Matthew A. Mikesch shall be and hereby is liable for and shall pay to Claimants Glen Devore and Judy Devore the sum of \$7,560 (**Seven Thousand Five Hundred Sixty Dollars**) as compensatory damages.
2. Interest at the statutory rate in the State of Missouri is awarded on the above stated sum from and inclusive of June 26, 2001 to and inclusive of the date this award is paid.
3. 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.
4. 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 firms are Quest Capital Strategies, Inc. and Pruco Securities Corporation..

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

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(s) with Panel x \$750.00	= \$750.00
Pre-hearing conference(s): March 12, 2001 1 session	
One (1) Hearing sessions x \$750.00	= \$750.00
Hearing Date(s): June 25, 2001 1 session	
Total Forum Fees	= \$1,500.00

The Arbitration Panel has assessed \$1,500.00 of the forum fees to Matthew Alan Mikesch.

Fee Summary

Claimants, Glen Devore and Judy Devore, shall be and hereby are jointly and severally liable for:

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

Respondent, Quest Capital Strategies, Inc., shall be and hereby is liable for:

Member Fees	= \$1,600.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$1,600.00
<u>Less payments</u>	= \$1,000.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 600.00

Respondent, Pruco Securities Corporation, shall be and hereby is liable for:

Member Fees	= \$1,600.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$1,600.00
<u>Less payments</u>	= \$1,000.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 600.00

Respondent Matthew Alan Mikesch, shall be and hereby is liable for:

<u>Forum Fees</u>	= \$1,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,500.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Donald B. Clark - Public/Non-Public, Presiding Chair
William L. Beedles, Ph.D - Public/Non-Public Arbitrator
Betty R. Crumpton - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Donald B. Clark
Donald B. Clark
Public Arbitrator, Presiding Chair

July 24, 2001
Signature Date

/s/ W. L. Beedles
William L. Beedles, Ph.D
Public Arbitrator

August 14, 2001
Signature Date

/s/ Betty R. Crumpton
Betty R. Crumpton
Non-Public Arbitrator

July 25, 2001
Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 00-04821
Award Page 5 of 5

Respondent Matthew Alan Mikesch, shall be and hereby is liable for:

<u>Forum Fees</u>	= \$1,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,500.00

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ARBITRATION PANEL

Donald B. Clark - Public/Non-Public, Presiding Chair
William L. Beedles, Ph.D - Public/Non-Public Arbitrator
Betty R. Crumpton - Non-Public Arbitrator

Concurring Arbitrators:

Donald B. Clark
Public Arbitrator, Presiding Chair

W L Beedles
William L. Beedles, Ph.D
Public Arbitrator

Signature Date

8/14/01
Signature Date

Betty R. Crumpton
Non-Public Arbitrator

Signature Date

Respondent Matthew Alan Mikesch, shall be and hereby is liable for:

Forum Fees

Balance Due NASD Dispute Resolution, Inc.

= \$1,500.00
= \$1,500.00

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William L. Beedles, Ph.D - Public/Non-Public Arbitrator
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Concurring Arbitrators:

Donald B. Clark

Donald B. Clark
Public Arbitrator, Presiding Chair

7/24/01

Signature Date

William L. Beedles, Ph.D
Public Arbitrator

Signature Date

Betty R. Crumpton
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.

Arbitration No. 00-04821

Award Page 5 of 5

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Forum Fees

= \$1,500.00

Balance Due NASD Dispute Resolution, Inc.

= \$1,500.00

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William L. Beedles, Ph.D - Public/Non-Public Arbitrator

Betty R. Crumpton - Non-Public Arbitrator

Concurring Arbitrators:

Donald B. Clark

Public Arbitrator, Presiding Chair

Signature Date

William L. Beedles, Ph.D

Public Arbitrator

Signature Date

Betty R. Crumpton

Betty R. Crumpton

Non-Public Arbitrator

7-25-01

Signature Date