

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Bruce and Rebecca Yordy

Case No. 00-04890 (Master Case)

Name of Respondents

American Express Financial Advisors, Inc.
IDS Life Insurance Company
Jerome L. Stachura
Ryan D. Murray

In the Matter of the Arbitration Between

Name of Claimant

Lorraine Yordy

Case No. 00-05605 (Subordinate Case)

Name of Respondents

American Express Financial Advisors, Inc.
IDS Life Insurance Company
Jerome L. Stachura
Ryan D. Murray

Hearing Site: Philadelphia, PA

REPRESENTATION OF PARTIES

Claimants, Bruce and Rebecca Yordy and Lorraine Yordy, hereinafter collectively referred to as "the Yordy's": Steven M. Dranoff, Esq., Attorney at Law, Philadelphia, PA.

Respondents and Cross-Claimants American Express Financial Advisors, Inc. ("AEFA"), IDS Life Insurance Company ("IDS"), and Ryan D. Murray ("Murray"), hereinafter referred to as "AEFA", "IDS" and "Murray": Joshua Horn, Esq., Fox, Rothschild, O'Brien & Frankel, LLP, Philadelphia, PA.

Respondent and Cross-Claim Respondent Jerome L. Stachura, hereinafter referred to as "Stachura," represented himself at the hearing.

CASE INFORMATION

Case No. 00-04890

Bruce and Rebecca Yordy Statement of Claim filed on: November 3, 2000.

Bruce and Rebecca Yordy each signed the Uniform Submission Agreement: October 30, 2000.

Statement of Answer filed by AEFA, IDS and Murrya on: March 15, 2001.

Timothy S. Meehan, Secretary of AEFA signed the Uniform Submission Agreement: March 8, 2001.

IDS and Murray did not file a Uniform Submission Agreement.

Stachura did not file a Statement of Answer.

Respondent Stachura did not file a Uniform Submission Agreement.

Case No. 00-05605

Lorraine Yordy Statement of Claim filed on: November 14, 2000.

Lorraine Yordy signed the Uniform Submission Agreement: October 25, 2000.

Statement of Answer filed by AEFA, IDS and Murray on: March 15, 2001.

AEFA, IDS and Murray did not file a Uniform Submission Agreement on Case #00-5065.

Stachura did not file a Statement of Answer/

Stachura did not file a Uniform Submission Agreement.

AEFA and Murray filed a Motion to Consolidate the above two matters on January 25, 2001 that was unopposed. NASD Dispute Resolution, Inc. consolidated these matters on April 6, 2001.

CASE SUMMARY

The Yordy's asserted the following causes of action: violations of federal and state securities laws arising from the fraudulent sale of unregistered securities, common law fraud, breach of fiduciary duty, and violation of the Pennsylvania Unfair Trade Practices and Consumer Protection Act. The claims involved the purchase of shares of the U.S. Estate Group ("USEG") in the Eagle36 Program. The Yordy's alleged that USEG, Eagle Capital Management, and the Eagle Debt Recovery Program were investment scams, and that the securities were not registered.

Unless specifically admitted in its Answer, AEFA, IDS and Murray denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief can be granted; the Statement of Claim is barred by the doctrines of waiver and/or estoppel; lack of consideration; good faith and fair dealing; the claim is barred by the doctrine of unjust enrichment; and, that the Yordy's suffered no injury.

AEFA, IDS and Murray asserted a Cross-Claim against Stachura indicating that, on or about January 18, 2001, AEFA, IDS and Murray settled this matter with the Yordy's.

Under the settlement agreement, the Yordy's assigned to AEFA, IDS and Murray any claims, demands, causes of action of any kind that the Yordy's had against Stachura. In their Cross-Claim, AEFA, IDS and Murray alleged the following causes of action: indemnification.

RELIEF REQUESTED

On Case #00-04890, Bruce and Rebecca Yordy requested:

Compensatory Damages	\$60,000
Punitive Damages	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified
Other Monetary	amount unspecified

On Case #00-05605, Lorraine Yordy requested:

Compensatory Damages	\$60,000
Punitive Damages	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified
Other Monetary	amount unspecified

AEFA, IDS and Murray requested:

Indemnification by Stachura	\$21,763.12
Expungement of this arbitration from Respondent Murray's U-4	

In addition to the relief sought by the Yordy's against Stachura, AEFA sought from Stachura indemnification for all monies AEFA paid to settle the claims of the Yordys, which is less than \$50,000. AEFA also requested that this matter be heard by one arbitrator.

At the hearing, Stachura requested that all claims asserted against him be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

At the pre-hearing conference, with the consent of the Claimants, the Arbitrator dismissed Claimants' actions against Respondents/Cross-Claimants with prejudice. The hearing proceeded with Respondent/Cross-Claimants asserting the assigned Claimants' action against Respondent Stachura and the Cross-Claim between Respondents/Cross-Claimants and Respondent Stachura.

Respondents/Cross-Claimants IDS and Murray did not file with NASD Dispute Resolution, Inc. a properly executed submission agreement to arbitration, but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Arbitrator on all issues submitted.

Respondent Stachura did not file with NASD Dispute Resolution, Inc. a properly executed submission agreement to arbitration, but is required to submit to arbitration pursuant to the Code, and, having appeared and testified at the hearing, is bound by the determination of the Arbitrator on all issues submitted.

AWARD AND FINDINGS OF ARBITRATOR

This matter arises out of a sale of unregistered securities by Jerome L. Stachura, to the Claimants, Bruce and Rebecca Yordy, and Loraine Yordy. Because both the facts and the legal bases in each of the individual actions were virtually identical, the matters were consolidated. As originally filed, both claims sought compensatory damages, lost income, punitive damages, interest, costs of suit attorneys fees, and other equitable relief against all respondents. In their answer, Respondents, American Express Financial Advisors, Inc., IDS Life Insurance Company and Ryan D. Murray (hereinafter collectively referred to as "AEFA"), denied liability, crossclaimed against Respondent, Stachura, and, with respect to Respondent Murray, sought the expungement of an amended U-4 that AEFA was required to file when the Claimants instituted this action. Subsequent to the commencement of the action, the claimants settled all issues with the Respondents American Express Financial Advisors, Inc., IDS Life Insurance Company and Ryan D. Murray. The settlements, entered into the record as part of Arbitrators Exhibits 1A and 1B (Case No 4890 and 5065, respectively), provided that Respondents, AEFA pay:

- a) To Bruce and Rebecca Yordy the sum of \$21,713.12, consisting of the Yordy's \$20,000 investment, plus 6% simple interest calculated from November 26, 1999 through December 19, 2000 (\$1,275.62), and half the cost to commence this arbitration (\$487.50), and,
- b) To Loraine Yordy the sum of \$22,130.98, consisting of the Mrs. Yordy's \$20,355.24 investment, plus 6% simple interest calculated from November 29, 1999 through December 19, 2000 (\$1,288.24), and half the cost to commence this arbitration (\$487.50).

In return, all claimants agreed to assign to these Respondents all of their claims, of whatever nature, that they may have against the Respondent Jerome L. Stachura, and to assist and cooperate with AEFA in its recovery of the assigned claims from Respondent Jerome L. Stachura. Upon payment of the settlements by AEFA, Claimants agreed to withdraw their civil actions against all AEFA Respondents.

At pre-hearing conference, with the consent of the Claimants, the Arbitrator (sole arbitrator) dismissed, with prejudice, Claimants actions against the Respondents, American Express Financial Advisors, Inc., IDS Life Insurance Company, and Ryan D. Murray. The hearing proceeded with AEFA asserting the assigned claimants' action against Respondent, Jerome Stachura; the Cross-Claim of the AEFA respondents, and Respondent Murray's action to expunge this arbitration from his U-4.

The facts, which precipitated the filing of this action, are as follows: In November, 1999, while affiliated with AEFA, Respondent, Stachura, sold unregistered securities to the Yordys. The securities were purportedly issued by U.S. Estate Group, LLC (U.S. Estate Group). Claimants, Bruce and Rebecca Yordy purchased \$20,000.00 worth of these securities, and Claimant, Loraine Yordy purchased securities valued at \$20,355.34. Respondent, Stachura contended that he conducted the sale independently of the AEFA office, and that, at the time of the sale, he further contended that he advised the Yordys that the US Estate Group securities were not sold or underwritten by AEFA or IDS. Respondent, Stachura, knowingly failed to advise AEFA of this sale. It was not until after he was named as a defendant and served with the Pennsylvania Securities Commission complaint, that Respondent, Stachura, first advised AEFA of his sale of the U.S. Estate Group securities to the Yordys. In the complaint, the Pennsylvania Securities Commission sought, inter alia, to enjoin the sale of U.S. Estate Group securities, the appointment of a conservator, and the freezing of all assets of U.S. Estate Group.

Prior his employment by AEFA, Mr. Stachura had held a number of jobs and done tax preparation work for individual clients on a self-employed basis. In 1987, Mr. Stachura met an individual named Wayne Hawk. Evidence indicated that Mr. Hawk was involved in a financial planning business entity known as Hale Associates. Commencing in 1987 and continuing through his employment with AEFA in 1995, and thereafter, Mr. Stachura attended monthly meetings that Wayne Hawk held for his associates. Mr. Stachura stated that in the period before his employment by AEFA, he sold a few insurance policies and one IRA transfer through Hale Associates. After his employment by AEFA, Mr. Stachura continued to attend Mr. Hawk's meetings and he maintained an affiliation with Hale Associates.

Jerome Stachura entered the employ of American Express Financial Advisors (AEFA) in 1995. In December 1994, as part of his application for employment, he submitted a form U-4 (Exhibit AEFA-2). On the December 1994 U-4, Mr. Stachura listed his employment experience for the previous ten years, but he made no mention of his relationship with Hale Associates. Yet, it was through Mr. Hawk, and Hales Associates that Mr. Stachura procured the U.S. Estate Group securities that he sold to the Yordys.

On October 31, 1999, very shortly after Mr. Stachura's sale of the U.S. Estate Group Securities to the Yordys, Mr. Hawk died suddenly. In approximately, January, 2000, the first payments on the securities were due, and the Yordy's began to question Mr. Stachura about the non-forthcoming payments. Mr. Stachura testified that in response to the Yordy's inquires, he made weekly calls to Hale Associates, in an attempt to find out why the payments had not been made. In Arbitrator's Exhibit, 1C, in evidence, Mr. Stachura stated that he became unsettled by Hale's response that payments were being delayed by "paperwork problems." Eventually, he was informed by Hale that the Pennsylvania Securities Commission had started an investigation, and that the funds were frozen. At the hearing, Mr. Stachura testified that to his knowledge approximately \$6 million of the \$10 million worth of sold U.S. Estate Group Securities were being held by the Pennsylvania Securities Commission pending resolution of the matter.

As testified to by Mr. Murray, and acknowledged by Mr. Stachura, as an AEFA employee, Mr. Stachura was required to make an annual disclosure of all of his outside activities. In addition, in the interval between annual disclosures, he was required to give immediate notice to AEFA whenever he, or any broker, intended to offer for sale to a client, a security that was not pre-approved by AEFA. According to Mr. Ryan, the procedures established by AEFA acted as a means of preventing the sale of unregistered securities, and as an internal control to prevent fraud. Had Mr. Stachura followed the disclosure procedures, AEFA would have had time to investigate the U.S. Estate Group securities, and sufficient time to prevent Mr. Stachura's sale of these unregistered securities. In his testimony, Mr. Stachura also acknowledged that he should have made his own investigation. He stated, however, that he trusted Mr. Hawk, and for this reason, he did not conduct his own, independent investigation of the U.S. Estate Group securities.

As evidenced by Exhibit AEFA 3, Outside Activities Disclosure Form dated June 9, 1999 and Exhibit AEFA 4, Outside Activities Disclosure Form dated August 3, 2000, Respondent, Stachura did not indicate on his annual disclosures for 1999 and 2000 that he was involved in the independent sale of securities, or in the sale of securities that had not been pre-approved for sale by AEFA. The evidence was also clear both from the testimony of Mr. Murray, and from Mr. Stachura's own testimony, that Mr. Stachura did not provide the required immediate, interim notice prior to his sale of the unregistered securities to the Yordys. Further, although Mr. Stachura asserts that he did not consider these investments to be securities, since they involved factoring of credit card accounts receivable, the fact remains that he had an obligation to AEFA to disclose the sale of any non-AEFA approved investment. He knew that he had this obligation, and he knew that the U.S. Estate Group Security was a non-AEFA approved investment. Based on the evidence, therefore, I find as fact that Mr. Stachura had full knowledge of all of the disclosure requirements that were established by AEFA, and that he knowingly withheld the fact of his sale of the Non-AEFA approved, and unregistered U.S. Estate Group securities. .

Mr. Murray testified that he was promoted by AEFA, and, thereby, became Mr. Stachura's supervisor in March 2000. He stated that within a few weeks of his assuming this position he met with Mr. Stachura to go over Mr. Stachura's accounts. Mr. Murray testified that at their meeting, Mr. Stachura made no mention of the sale of the U. S. Estate Group securities to the Yordys, nor did he mention his affiliation with Mr. Hawk, or with Hale Associates.

This was acknowledged by Mr. Stachura, who testified that he did not inform Mr. Murray of any of his dealings with U. S. Estate Group securities until after he was served with the Pennsylvania Securities Commission complaint in July 2000. Moreover, Mr. Stachura did not immediately inform Mr. Murray after his receipt of the complaint in July. On August 3, 2000, before advising Mr. Murray, and, I find, with knowledge of the existence of the action filed by the Pennsylvania Securities Commission, Mr. Stachura filed an annual Outside Activities Disclosure Form (Exhibit AEFA 4). On Exhibit AEFA 4 Mr. Stachura listed Hale Associates as an outside associate. However, by placing information

in a parenthesis adjacent to Hale's name, he definitively indicated that his association with Hale Associates involved only "Penn Treaty Insurance." There was no mention of U.S. Estate Group on the August 3, 2000 Outside Activities Disclosure Form.

It was not until approximately one week after he filed the August 3, 2000 Outside Activities Disclosure Form that Mr. Stachura notified Mr. Murray of his dealings with the U.S. Estate Group Securities. He did so by handing Mr. Murray a copy of the Pennsylvania Securities Commission Complaint. It was at this time that Mr. Murray first learned of Mr. Stachura's sale of the unregistered securities to the Yordy's. It should also be noted that, given the proximity of the filing of the August 3, 2000 annual disclosure, and notification to Mr. Murray approximately a week later, there was insufficient time for Mr. Murray to investigate the contents of the August 3, 2000 disclosure statement.

Immediately upon being advised of Mr. Stachura's involvement with the U.S. Estate Group securities, Mr. Murray forwarded a copy of the Pennsylvania Securities Commission complaint to the AEFA Compliance Officer, Mr. Mlynarczyk, who investigated the matter and sent a copy of the complaint to his own supervisor. AEFA's investigation, and its responsive action were swift. According to Mr. Stachura, on or about September 1, 2000 he was terminated by AEFA. Mr. Murray's testimony was corroborative. He stated that very shortly after he forwarded the complaint to Mr. Mlynarczyk, he and Mr. Mlynarczyk fired Mr. Stachura for sale of a non-approved product.

The facts are absolute, that Mr. Murray was not Mr. Stachura's supervisor at the time that the U.S. Estate Group securities were sold to the Yordys in October 1999. Based on the undisputed testimony and evidence produced at the hearing, I find, as a matter of uncontroverted fact, that Mr. Murray was not negligent in any aspect of his supervision of Mr. Stachura. I find that at all times Mr. Murray acted reasonably, judiciously and properly with respect to his supervision of Mr. Stachura. In March 2000, upon assuming the duty of supervising Mr. Stachura, Mr. Murray immediately met with Mr. Stachura to discuss his accounts. I have previously found that Mr. Stachura knowingly withheld from Mr. Murray critical information about his sale of non-AEFA securities. Without knowledge of Mr. Stachura's activities, Mr. Murray could not possibly take corrective action.

It is also uncontroverted that, upon learning of Mr. Stachura's actions, Mr. Murray took immediate action that led to the termination of Mr. Stachura's employment by AEFA. Under the circumstances, I find, as a matter of fact and as a matter of law, that the allegations of failure to supervise, as asserted in the action filed by the claimants herein, are not supported by the evidence. I further find these allegations to be baseless. The relief requested in Count Four of the Crossclaim is granted. It is clear, beyond all doubt, that Mr. Murray should not have been named as a party to this action, and that all reference to his having been so named as party to this litigation and/or to the settlement of this litigation, which had been previously entered on his U-4 Form, must be expunged, and removed therefrom, as if it had never been entered on the U-4 form. It is so ordered. The evidence also establishes beyond any doubt that AEFA was also without any fault and/or negligence, and that Respondent Stachura's disclaimer to the Yordys of his agency

status with AEFA was ambiguous, and, therefore, legally insufficient.

During the course of Respondent, Stachura's, activities there were four clear checkpoints which, had they not been frustrated by Stachura's deliberate withholding of information about the unregistered securities, would have allowed AEFA the opportunity to investigate the securities sold to the Yordys, and stop the sale in its tracks. The First was the annual disclosure. The second was the requirement that all AEFA brokers immediately report a potential sale of non-AEFA approved securities. The third occurred at the account review conducted by Mr. Murray very shortly after assuming his position as Mr. Stachura's supervisor. Mr. Stachura admitted that he withheld the information about the U.S. Estate Group Securities from Mr. Murray at the meeting. The Fourth check point occurred at the time Loraine Yordy's IRA funds were redeemed. Mr. Stachura testified that he believed that he requested that the U.S. estate Group process an IRA rollover of Loraine Yordy's AEFA IRA account to fund the purchase. However, the check issued by AEFA was payable directly to Loraine Yordy, and indicated a full redemption of her account. Documentation submitted by AEFA, post-hearing, at the request of the Arbitrator, confirmed the fact that Loraine Yordy telephoned AEFA and asked that her full account be redeemed. Though given the post-hearing opportunity, Mr. Stachura produced nothing to support his belief that the funding of Loraine Yordy's U.S. Estate Group Securities been processed as an IRA rollover, and I find from the evidence (even without the post-hearing submissions) that there was no IRA rollover. I further find that had there been an IRA rollover, AEFA would have had the opportunity to learn that the Fund that was to be the recipient of Loraine Yordy's IRA was unregistered.

I find that, given the circumstances herein, AEFA established reasonable safeguards and otherwise did everything within its power to prevent the sale of the unregistered securities to the Yordys. I find that in each and every instance, Mr. Stachura's actions and inactions affirmatively prevented AEFA from learning the true nature of the sale to the Yordy's. This sale would not have occurred, but for the actions and inactions of Respondent, Stachura.

I find that Mr. Stachura's informing the Yordys that the U.S. Estate Group investment was not an AEFA security was insufficient and ineffective to negate his apparent agency relationship with AEFA, and did not establish his own status as an independent contractor. Merely informing the Yordys that the security was not an AEFA security was not sufficient. AEFA's own internal procedures, requiring submission of non-AEFA securities for approval, imply that approved non-AEFA securities could be sold through AEFA. The evidence to the effect that the Yordys called the AEFA office to inquire why they did not receive a return on their investment supports the finding that Mr. Stachura's actions were insufficient to disclaim AEFA agency, and that the Yordys believed that they were dealing with an AEFA Broker.

I find, therefore, that AEFA was placed in a position of liability to the Yordys through absolutely no fault of its own. In this action AEFA seeks indemnification and counsel fees from Respondent, Stachura. Although AEFA has produced no contract or other written document to support a claim for contractual indemnification, clearly, as set forth

above, it has more than carried the burden of proof in establishing a cause of action in common law indemnity.

I find, therefore, that Respondent, Jerome Stachura, is liable to AEFA for all damages and expenses incurred by AEFA in the defense of this consolidated action, and the Award is as follows:

1. In the matter filed by Bruce and Rebecca Yordy, No. 00-04890:
 - a. Compensatory damages in the amount of in the amount of \$21,763.12 representing that amount paid by AEFA to Bruce and Rebecca Yordy in settlement of their claims. Included in this amount is the \$20,000.00 they invested with U.S. Estate Group, plus 6% simple interest calculated from November 26, 1999 through December 19, 2000 (\$1,275.62), and half of the cost to commence this arbitration \$487.50). All as set forth in the settlement agreement attached to and forming a part of Arbitrator's Exhibit 1A, in evidence.
 - b. All other costs and fees imposed by NASD Regulation, Inc. and incurred by AEFA in the defense of this action (No.00-04890), the amount of said fees to be calculated by NASD (see Fees section, below).
2. In the matter filed by Loraine Rebecca Yordy, No. 00-05605:
 - a. Compensatory damages in the amount of in the amount of \$22,130.98 representing that amount paid by AEFA to Bruce and Rebecca Yordy in settlement of their claims. Included in this amount is the \$20,355.24 they invested with U.S. Estate Group, plus 6% simple interest calculated from November 26, 1999 through December 19, 2000 (\$1,288.24), and half of the cost to commence this arbitration \$487.50). All as set forth in the settlement agreement attached to and forming a part of Arbitrator's Exhibit 1B, in evidence.
 - b. All other costs and fees imposed by NASD Regulation, Inc. and incurred by AEFA in the defense of this action (No.00-04890), the amount of said fees to be calculated by NASD (see Fees section below).
3. Counsel fees incurred by AEFA for the combined defense and cross-claims in the consolidated cases in the amount of \$5,441.68, as set forth in the Statement Of Attorney's Fees and Costs submitted by counsel for AEFA. I find that the billing rate of \$165.00 per hour is reasonable, and I further find that the number of hours, (32.9) expended by counsel in preparation of AEFA's defense, the appearance at the hearing, and the assembly and submission of the post-hearing documentation requested by the arbitrator is similarly reasonable.
4. Miscellaneous costs in the amount of \$140.08. These costs were incurred By AEFA

as expenses of Counsel for AEFA, and are set for the Statement Of Attorney's Fees And Costs provided by AEFA's counsel.

The evidence elicited at the hearing was to the effect that the Commonwealth of Pennsylvania, Pennsylvania Securities Commission petitioned the Court of Common Pleas of Montgomery county to appoint a receiver to take control of and otherwise manage and distribute the assets of the U.S. Estate Group, inter alia. The attorney for the Pennsylvania Securities Commission has indicated to Counsel for AEFA that in the event that there is a distribution of any of the assets of the U.S. Estate Group emanating from the action by the Pennsylvania Securities Commission, such distribution will only be made to the Yordys. The Pennsylvania Securities Commission will not recognized the Yordy's assignment of their claims to AEFA.

In light of the above AEFA entered an agreement with the Yordys that requires that the Yordys turn over to AEFA any moneys that may be distributed by the Pennsylvania Securities Commission. In the event of such distribution to the Yordys, and turn over to AEFA, the benefit of the full amount of the funds distributed by the Pennsylvania Securities Commission is to be afforded to Mr. Stachura either by virtue of a set-off against the amount owed by Mr. Stachura, or by a reimbursement to Mr. Stachura, to the extent that the distribution may exceed the amount he has paid to AEFA.

The Arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent Ryan D. Murray's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Ryan D. Murray must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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:

As to Case #00-04890:	
Bruce and Rebecca Yordy	= \$ 00
Jerome Stachura	= \$ 225
As to Case #00-05605:	
Lorraine Yordy	= \$ 00
Jerome Stachura,	= \$ 225
Cross Claim filing fee Case #00-4890	= \$ 1,000

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 firms are Respondent/Cross Claimants AEFA and IDS.

AEFA Member surcharge Case #00-4890	= \$1,000
Pre-hearing process fee Case #00-4890	= \$ 600
Hearing process fee Case #00-4890	= \$1,500

AEFA Member surcharge Case #00-5065	= \$1,000
Pre-hearing process fee Case #00-5065	= \$ 200

IDS Member surcharge Case #00-4890	= \$1,000
Pre-hearing process fee Case #00-4890	= \$ 600
Hearing process fee Case #00-4890	= \$1,500

IDS Member surcharge Case #00-5065	= \$1,000
Pre-hearing process fee Case #00-5065	= \$ 200

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 arbitrator, 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 a single arbitrator x \$450	= \$ 450
Pre-hearing conference(s): July 18, 2000 1 session	

Two (2) Hearing sessions x \$450	= \$ 900
Hearing Date(s): August 23, 2001 2 sessions	

Total Forum Fees	= \$1,350
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The arbitrator has assessed \$1,350 of the forum fees to Respondent Stachura.

Fee Summary

Claimants, Bruce and Rebecca Yordy, are assessed and shall pay:

Initial Filing Fee	= \$ 0
Half of the Hearing Session Deposit retained	= \$ 375

Total Fees	= \$ 375
Payments Made	= \$ 975

Refund to Claimants Bruce and Rebecca Yordy	= \$ 600
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Claimant, Lorraine Yordy is assessed and shall pay:

Initial Filing Fee	= \$ 0
Half of the Hearing Session Deposit retained	= \$ 375

Total Fees	= \$ 375
Payments Made	= \$ 975

Refund to Claimant Lorraine Yordy	= \$ 600
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Respondent, Stachura, is assessed and shall pay:

Filing Fee assessed on Case #00-04890	= \$ 225
Filing Fee assessed on Case #00-05605	= \$ 225
Forum Fees	= \$ 1,350

Total Fees	= \$ 1,800
Less payments	= \$ 00

Balance Due NASD Dispute Resolution, Inc.	= \$ 1,800
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On Case #00-4890, Respondent/Cross-Claimant, AEFA is assessed and shall pay:

Member Fees	= \$ 3,100
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Total Fees	= \$ 3,100
Less payments	= \$ 3,100

Balance Due NASD Dispute Resolution, Inc.	= \$ 00
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On Case #00-4890, Respondent/Cross-Claimant, IDS is assessed and shall pay:

Member Fees	= \$ 3,100
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Total Fees	= \$ 3,100
Less payments	= \$ 3,100

Refund owed to Respondent/Cross-Claimant, IDS	= \$ 00
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On Case #00-4890, Respondents/Cross-Claimants, AEFA, IDS, and Murray, are jointly and severally liable and shall pay:

Filing Fees = \$1,000

Total Fees = \$ 1,000

Less payments = \$ 1,000

Balance Due NASD Dispute Resolution, Inc. = \$ 00

On Case #00-5065, Respondent/Cross-Claimant, AEFA, is assessed and shall pay:

Member Fees = \$ 1,200

Total Fees = \$ 1,200

Less payments = \$ 1,200

Balance Due NASD Dispute Resolution, Inc. = \$ 00

On Case #00-5065, Respondent/Cross-Claimant, IDS, is assessed and shall pay:

Member Fees = \$ 1,200

Total Fees = \$ 1,200

Less payments = \$ 1,000

Less funds transferred from Case #00-4890 = \$ 200

Balance Due NASD Dispute Resolution, Inc. = \$ 00

All balances are due to NASD Dispute Resolution, Inc.

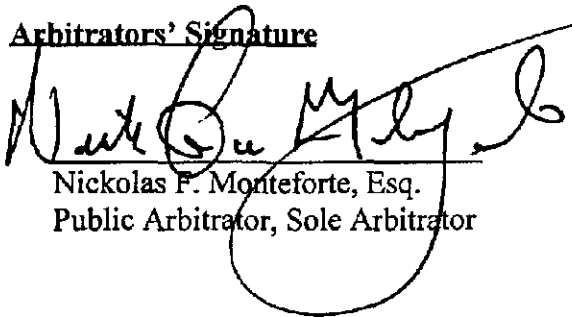
ARBITRATION PANEL

Nickolas F. Monteforte, Esq.

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Public Arbitrator, Sole Arbitrator

Arbitrators' Signature

A handwritten signature in black ink, appearing to read "Nickolas F. Monteforte", written over a horizontal line.

Nickolas F. Monteforte, Esq.
Public Arbitrator, Sole Arbitrator

OCT 22, 2001
Signature Date

November 21, 2001
Date of Service (For NASD-Dispute Resolution office use only)