

NASD DISPUTE RESOLUTION AWARD
NASD DISPUTE RESOLUTION, INC.

CASE: 00-05049

Merrill Lynch, Pierce, Fenner, & Smith, Inc., claimant vs. KNA Partners, John Beeson, Paul Sirota, and John Howenstone, respondents.

ATTORNEYS:

For Claimant appeared Suzanne S. Killian, Esq., of the firm Ogden, Gibson, White & Brooks, LLP, Houston, TX.

Respondents did not respond to the Statement of Claim.

DATE FILED: November 14, 2000

CASE SUMMARY: Claimant alleged that respondents failed to repay a debit balance in their account. Claimant further alleged that respondents falsely represented information causing claimant to deposit and sell shares of stock thereby causing a loss.

Claim Data

Claim: \$11,138.38
Interest: 18% per annum

Attorney Fees: unspecified
Filing Fees: unspecified
Other: unspecified

Award Data

Award: \$11,138.38
Interest: 18% per annum from
11/99 to the date of payment of award.
Attorney Fees: \$5,000.00
Filing Fees: \$1,050.00
Other: \$.00

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondents are jointly and severally liable and shall pay to the claimant \$11,138.38. 2) Respondents are jointly and severally liable and shall pay to the claimant interest at a rate of 18% per annum from November 1999 until the date of payment of the award. 3) Respondents are jointly and severally liable and shall pay to the claimant reasonable and necessary attorney fees of \$5,000.00 according to claimant's request. 4) All other relief requests are denied. 5) The \$1,050.00 filing fee previously deposited with NASD Dispute Resolution, Inc. by the claimant, shall be retained by NASD Dispute Resolution, Inc. 6) Respondents are jointly and severally liable and shall pay claimant \$1,050.00 as reimbursement of the filing fee.

OTHER FEES: Pursuant to Rule 10333 of the Code, claimant has paid to NASD Dispute Resolution, Inc. the \$400.00 Member Surcharge previously invoiced.

OTHER ISSUES: Pursuant to the By-Laws of NASD Dispute Resolution, the arbitrator determined that respondents were served notice of the Statement of Claim and Notification of Arbitrator by regular mail, and Overdue Notice by certified mail, and is therefore bound by the arbitrator's ruling and determination.

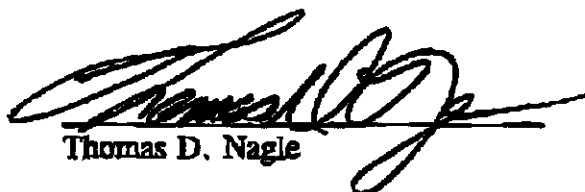
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Thomas D. Nagle

Sole Public Arbitrator

AFFIRMATION

I, Thomas D. Nagle, do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.


Thomas D. Nagle

Nov. 26, 2001
Signature Date

December 4, 2001
Date of Service of Award (for NASD Office use only)