

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Richard L. Rudd, Amy Rudd,
Chris Pipkin, Chris Pipkin IRA,
Larry Pipkin, Larry Pipkin IRA,
INV Partners, Peak to Peak Partners,
Betsy Pipkin Peters, and Jon Jelinek

and

01-00432
Omaha, Nebraska

American General Securities, Inc.
First Union Securities, Inc.
Dennis T. Siamis, and
Charles Anthony Bever

REPRESENTATION OF PARTIES

Richard L. Rudd, Amy Rudd, Chris Pipkin, Chris Pipkin IRA, Larry Pipkin, Larry Pipkin IRA, INV Partners, Peak to Peak Partners, Peak to Peak Investors, Betsy Pipkin Peters, and Jon Jelinek ("Claimants") were represented by John D. Hudson, Esq., Williams, Blackburn, Hudson & Maharry, P.L.C., Des Moines, Iowa and John J. Miller, Esq., Law Office of John J. Miller, P.C., Kansas City, Missouri.

American General Securities, Inc. ("American General") was represented by John B. Tuffnell, Esq., and Thomas Zurek, Esq., Nyemaster, Goode, Voigts, West, Hansell & O'Brien, P.C., Des Moines, Iowa.

First Union Securities, Inc. ("First Union") and Charles Anthony Bever were represented by Ronald P. Kane, Esq., Kane & Fischer, Ltd., Chicago, Illinois.

Dennis T. Siamis ("Siamis") was represented by Peter R. Sonderby, Esq., Chicago, Illinois. Respondent Siamis was represented by Michael McDonough until on or about March 14, 2002. Siamis continued pro se from then until Mr. Sonderby's appearance on or about April 25, 2002.

CASE INFORMATION

The Statement of Claim was filed on or about January 26, 2001. Claimants' Answer to Counterclaim was filed jointly on or about May 7, 2002. The Submission Agreement of Claimant Richard L. Rudd was signed on or about January 11, 2001. The Submission Agreement of Claimant Amy Rudd was signed on or about January 11, 2001. The Submission Agreement of Claimant Chris Pipkin was signed on or about January 11, 2001. The Submission Agreement of Claimant Larry Pipkin was signed on or about January 11,

2001. The Submission Agreement of Claimant INV Partners was signed on or about January 12, 2001, by Partners, Jon L. Jelinek and Devin Pipkin. The Submission Agreement of Claimant Betsy Pipkin Peters was signed on or about January 11, 2001. The Submission Agreement of Claimant Jon Jelinek was signed on or about January 12, 2001.

The Statement of Answer was filed by Respondent American General Securities, Inc. on or about March 27, 2001. The Submission Agreement of Respondent American General Securities, Inc. was signed on or about March 27, 2001, by John B. Tuffnell, attorney for American General.

The Statement of Answer was filed jointly by Respondent First Union and Bever on or about March 22, 2001. Amended Answer filed by Respondents First Union and Bever on or about May 10, 2001. Respondents First Union and Bever filed their Second Amended Answer to Statement of Claim on or about December 28, 2001. The Submission Agreement of Respondent First Union Securities, Inc. was signed on or about May 8, 2001, by Renan Sugarman. The Submission Agreement of Respondent Charles Anthony Bever was signed on or about March 9, 2001.

The Statement of Answer was filed by Respondent Dennis T. Siamis on or about March 28, 2001. Respondent Siamis filed his Answer to Amendment to Claim of Pipkin on or about September 12, 2001. Respondent Siamis filed a Motion to File Counterclaim for contribution Against Chris Pipkin filed on or about April 26, 2002. Respondent Siamis filed a Motion for Leave to File a Reply to Claimant's Response to Counterclaim on or about May 29, 2002. The Submission Agreement of Respondent Dennis T. Siamis was signed on or about March 27, 2001.

CASE SUMMARY

In their Statement of Claim, Claimants alleged breach of fiduciary duty, misrepresentations, unsuitable investments, excessive account activity, failure to supervise, and sale of unregistered securities. The causes of action relate to Findex.com and Log Point Technologies.

In his Answer, Respondent Siamis generally denied any wrong doing and contested most of the specific facts set forth in the Statement of Claim. Respondent Siamis further asserted affirmative defenses including the following: there was no justifiable reliance on Respondent and Claimants relied on Claimant Chris Pipkin for all investment decisions; Claimants have waived or ratified any acts or omissions by Siamis; Claimants' action is barred by applicable statutes of limitations; the parties failed to mitigate their damages; and the securities were exempt from registration.

In his counterclaim, Respondent Siamis sought indemnification and contribution from Claimant Chris Pipkin. Claimants asserted that indemnification and contribution are not

available for the intentional wrongdoings alleged by Claimants and the counterclaim is not supported by the facts and evidence.

In their Answer, Respondents Bever and First Union stated that Respondents acted diligently and responsibly, and they specifically denied all claims and allegations of wrongdoing. Respondents further submitted that Claimants' theories of liability and legal claims lack legal merit. Respondents asserted affirmative defenses including the following: Claimants are barred by applicable statutes of limitations; Claimants are estopped from recovering on their claims; Claimants decisions to grant Chris Pipkin trading authority constitutes waiver of their claims against Respondents; and Claimants ratified all transactions.

In its Answer, Respondent American General denied the allegations of Claimants' claim. Respondent American General asserted defenses including waiver, estoppel, and/or ratification.

RELIEF REQUESTED

In their Statement of Claim, Claimants requested compensatory damages in the amount of \$2,401,097.00, return of fees and commissions, attorneys' fees and expenses, interest at the statutory rate of 10%, and unspecified punitive damages.

In his Answer, Respondent Siamis asked that the claim be denied. In his Counterclaim Respondent Siamis requested an award from Chris Pipkin equal to any and all sums that may be awarded against Siamis.

Respondents Bever and FUS requested that the claims be dismissed with prejudice, that their costs and expenses be assessed against Claimants, and that such other relief be granted as the panel deems appropriate.

Respondent AGS requested that Claimants' claims be dismissed at Claimants' cost.

OTHER ISSUES CONSIDERED & DECIDED

Claimants, Larry Pipkin and Chris Pipkin executed Submission agreements in their individual capacities, but did not file with the NASD Dispute Resolution properly executed submissions on behalf of their IRA accounts or for Peak to Peak Partners. These accounts are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and Claimants, having filed a claim including these accounts, and Larry Pipkin and Chris Pipkin having appeared and testified at the hearing, Claimants are bound by the determination of the arbitration panel on all issues submitted.

The Panel granted Respondent Siamis' Motion for Leave to File Counterclaim at hearing on April 29, 2002. The Panel granted Respondent Siamis' Motion for Leave to file Reply to Claimant's Response to Counterclaim on or about August 5, 2002

Upon commencement of closing arguments on August 8, 2002, Claimants' counsel withdrew opportunity costs as a part of Claimants' claim for damages.

At hearing, Respondents First Union and Bever orally moved for a directed verdict dismissing any claims against them. The Panel took the Motion under advisement at hearing. The Panel hereby grants the Motion by Respondents First Union and Bever.

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 (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 Dennis Siamis is liable for and shall pay to Claimants Larry Pipkin, Richard and Amy Rudd (jointly), and INV Partners, the sum of \$3.00 in compensatory damages (\$1.00 for each of the aforementioned Claimants);
- 2.) Respondent Dennis Siamis is liable for and shall pay to Claimants Larry Pipkin, Richard and Amy Rudd (jointly), and INV Partners, the sum of \$75,000.00 in punitive damages (\$25,000.00 for each of the aforementioned Claimants) pursuant to Iowa Statutes and Iowa Jury Instructions;
- 3.) Upon receipt of payment by Claimants Larry Pipkin, Richard and Amy Rudd, and INV Partners from Respondent Dennis Siamis, Claimant/Counter-Respondent Chris Pipkin is liable for and shall pay to Respondent/Counterclaimant Dennis Siamis 50% of the amounts paid by Dennis Siamis to Claimants Larry Pipkin, Richard and Amy Rudd, and INV Partners;
- 4.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 5.) That any relief not specifically enumerated, including punitive damages, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 500.00
Counterclaim filing fee	= \$ 500.00

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 firms are American General Securities, Inc. and First Union Securities, Inc.

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

Adjournment Fees

Adjournments requested during these proceedings:

April 8-12, 2002, adjournment by Dennis Siamis	= \$ 1,200.00
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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 Panel x \$1,200.00	= \$ 1,200.00
Pre-hearing conference: August 14, 2001 1 session	

Twenty-Five (25) Hearing sessions x \$1,200.00	= \$30,000.00
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Hearing Dates:	April 29, 2002	2 sessions
	April 30, 2002	2 sessions
	May 1, 2002	2 sessions
	May 2, 2002	2 sessions
	May 3, 2002	2 sessions

June 4, 2002	2 sessions
June 5, 2002	2 sessions
June 6, 2002	2 sessions
June 7, 2002	2 sessions
August 5, 2002	2 sessions
August 6, 2002	2 sessions
August 7, 2002	2 sessions
August 8, 2002	1 session

Total Forum Fees	= \$31,200.00
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The Arbitration Panel has assessed \$31,200.00 of the forum fees to Dennis T. Siamis.

Fee Summary

Claimants, Richard L. Rudd, Amy Rudd, Chris Pipkin, Chris Pipkin IRA, Larry Pipkin, Larry Pipkin IRA, INV Partners, Peak to Peak Partners, Peak to Peak Investors, Betsy Pipkin Peters, and Jon Jelinek, are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Total Fees	= \$ 1,700.00
Less payments	= \$ 1,700.00
Balance refunded by NASD Dispute Resolution	= \$ 1,200.00

Respondent, American General Securities, Inc., is liable for:

Member Fees	= \$ 7,600.00
Total Fees	= \$ 7,600.00
Less payments	= \$16,600.00
Balance refunded by NASD Dispute Resolution	= \$ 9,000.00

Respondent, Dennis T. Siamis, is liable for:

Counterclaim Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 1,200.00
Forum Fees	= \$31,200.00
Total Fees	= \$32,900.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$32,900.00

Respondent, First Union Securities, Inc., is liable for:

Member Fees	= \$ 7,600.00
Total Fees	= \$ 7,600.00
Less payments	= \$ 7,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Wayne S. Rasmussen, Esq. - Public Arbitrator, Presiding Chair

Richard N. Berkshire, Esq. - Public Arbitrator

Donald J. Wagner - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Wayne S. Rasmussen, Esq.
Wayne S. Rasmussen, Esq.
Public Arbitrator, Presiding Chair

09/19/02
Signature Date

/s/ Richard N. Berkshire, Esq.
Richard N. Berkshire, Esq.
Public Arbitrator

09/19/02
Signature Date

/s/ Donald J. Wagner
Donald J. Wagner
Non-Public Arbitrator

09/19/02
Signature Date

09/19/02
Date of Service (For NASD office use only)

Respondent, First Union Securities, Inc., is liable for:

Member Fees	= \$ 7,600.00
Total Fees	= \$ 7,600.00
Less payments	= \$ 7,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Wayne S. Rasmussen, Esq. - Public Arbitrator, Presiding Chair
Richard N. Berkshire, Esq. - Public Arbitrator
Donald J. Wagner - Non-Public Arbitrator

Concurring Arbitrators:


Wayne S. Rasmussen, Esq.
Public Arbitrator, Presiding Chair

9/19/2002
Signature Date

Richard N. Berkshire, Esq.
Public Arbitrator

Signature Date

Donald J. Wagner
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondent, First Union Securities, Inc., is liable for:

Member Fees	= \$ 7,600.00
Total Fees	= \$ 7,600.00
Less payments	= \$ 7,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Wayne S. Rasmussen, Esq. - Public Arbitrator, Presiding Chair
Richard N. Berkshire, Esq. - Public Arbitrator
Donald J. Wagner - Non-Public Arbitrator

Concurring Arbitrators:

Wayne S. Rasmussen, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Richard N. Berkshire, Esq.
Public Arbitrator

7/17/02
Signature Date

Donald J. Wagner
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondent, First Union Securities, Inc., is liable for:

Member Fees	= \$ 7,600.00
Total Fees	= \$ 7,600.00
Less payments	= \$ 7,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Wayne S. Rasmussen, Esq. - Public Arbitrator, Presiding Chair
Richard N. Berkshire, Esq. - Public Arbitrator
Donald J. Wagner - Non-Public Arbitrator

Concurring Arbitrators:

Wayne S. Rasmussen, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Richard N. Berkshire, Esq.
Public Arbitrator

Signature Date



Donald J. Wagner
Non-Public Arbitrator



Signature Date

Date of Service (For NASD office use only)