

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimants

Kenneth Hunter, Dorothy Hunter, and
Sally Hunter

v.

Case Number: 01-00555
Hearing Site: Detroit, Michigan

Respondents

Sigma Financial Corporation, Mariner
Financial Services, Inc., Jerome S. Rydell,
Michael J. Brooks, Larry J. Mathewson,
J. Will Paul, William Gregg, Dennis Brown,
Robert Boone, Clark F. Colton, Jr., and Kenneth
Warnick

and

Counter-Claimants/Respondents

Sigma Financial Corporation, Mariner
Financial Services, Inc., Jerome S. Rydell,
Michael J. Brooks, Larry J. Mathewson

v.

Counter-Respondents/Claimants

Kenneth Hunter and Dorothy Hunter

NATURE OF CASE

Customers v. Member, Terminated Member and Associated Persons
Member and Associated Persons v. Customers

REPRESENTATION OF PARTIES

Kenneth Hunter, Dorothy Hunter, and Sally Hunter ("Claimants") were represented by
Anthony V. Trogan, Esq., Anthony V. Trogan, PLLC, West Bloomfield, Michigan.

Sigma Financial Corporation ("Sigma"), Jerome S. Rydell, ("Rydell"), Michael J. Brooks
("Brooks"), and Larry J. Mathewson ("Mathewson") were represented by Joseph H. Spiegel,
Esq., Ann Arbor, Michigan until on or about October 3, 2003, when David A. Baugh, Esq.
and Ellen L. Flannigan, Esq., Mora, Baugh, Waitzman & Unger, LLC, Chicago, Illinois,
substituted as counsel.

Mariner Financial Services, Inc. ("Mariner") was represented by Thomas R. Cox, Esq., Canfield, Paddock & Stone, Detroit, Michigan, in the court proceeding. Mariner did not appear in the arbitration proceeding.

J. Will Paul ("Paul"), William Gregg ("Gregg"), Dennis Brown ("Brown"), Robert Boone ("Boone"), Clark F. Colton, Jr. ("Colton") and Kenneth Warnick ("Warnick") were represented by Matthew S. Schlegel, Esq., Kupelian, Ormond & Magy, P.C., Southfield, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about February 2, 2001. Claimants filed an Amended Statement of Claim on or about February 9, 2001. The Submission Agreement of Claimant Kenneth Hunter, Dorothy Hunter, and Sally Hunter was signed on or about January 6, 2001.

On February 14, 2001, Respondents Sigma Financial Corporation, Jerome Rydell, Michael Brooks, and Larry Joseph Mathewson filed a Motion to Enjoin the Arbitration Proceeding for 120 days in order to determine the effect of the class action (*Hagel, et al. v. Sterling Bank & Trust, et al.*), pending in the Mortgage Corporation of America ("MCA") bankruptcy proceeding.

Claimants' Response to the Respondents' Motion to Enjoin the Arbitration Proceedings was filed on February 26, 2001.

On February 26, 2001, Respondents J. Will Paul, William Gregg, Dennis Brown, Robert Boone, Clark F. Colton, Jr. and Kenneth D. Warnick filed an Objection and Motion to Stay in Response to the Statement of Claim on the grounds that the claims are legally barred and also filed a Complaint for Declaratory Judgment in the Circuit Court for the County of Monroe, Michigan, Case No. 01-12322CZ.

On March 28, 2001, Respondents Sigma Financial Corporation, Jerome Rydell, Michael Brooks, Larry Joseph Mathewson filed an Answer to Claimants' Statement of Claim and Amended Statement of Claim, a Notice of Fault and a Counter-Claim as to Kenneth Hunter and Dorothy Hunter.

Claimants' Response to the Counter-Claim was filed on April 2, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, common law fraud, conspiracy, promissory estoppel, conversion, negligence, malpractice, breach of fiduciary duty, breach of Michigan securities laws and violation of Michigan's Consumer's Protection Law. These causes of action related to the purchase and sale of mortgage pools established by the Mortgage Corporation of America.

Unless specifically admitted in their Answer, Respondents Sigma Financial Corporation, Jerome Rydell, Michael Brooks, Larry Joseph Mathewson denied all allegations of misconduct made in the Statement of Claim and asserted the following affirmative defenses: the Statement of Claim fails to state a claim for which relief can be granted, is barred by the doctrine of assumption of risk, estoppel, statute of frauds, laches, for want or failure of consideration, for unclean hands, Respondents' conduct was not the proximate cause of any alleged injury, Claimants' losses, if any were not caused by Respondents, but instead were caused by others or market conditions not attributable to Respondents, but rather other persons, and Claimants' claims are barred, in whole or in part, by Claimant's failure to join necessary or indispensable parties.

Respondents Sigma, Rydell and Brooks asserted a counterclaim for breach of warranty, misrepresentation, silent fraud, breach of contract, negligence, unjust enrichment, and fraudulent inducement against Kenneth Hunter and Dorothy Hunter.

RELIEF REQUESTED

Claimants requested an award in the amount of \$215,000.00, punitive damages, exemplary damages, interest, attorneys' fees, costs, and other damages as determined by the panel.

Respondents Sigma, Rydell, Brooks, and Mathewson requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees and that all references to this matter be expunged from the CRD records of Rydell, Brooks, and Mathewson. Respondents requested unspecified damages in their counterclaim.

Respondents Paul, Gregg, Brown, Boone and Warnick requested dismissal of the claims, plus costs, attorneys' fees, and that all references to this matter be expunged from their CRD records.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Sigma Financial Corporation, Jerome S. Rydell, Michael J. Brooks, Larry J. Mathewson J. Will Paul, William Gregg, Dennis Brown, Robert Boone, Clark F. Colton, Jr., and Kenneth Warnick did not file with the NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered or responded to the claim, appeared and testified at the pre-hearing conferences through counsel are bound by the determination of the arbitration panel on all issues submitted.

Pursuant to the Court Order entered on February 14, 2002, Claimant's arbitration claims are barred forever as to Mariner Financial Services.

All claims in the above-entitled case against William Gregg, Dennis Brown and Kenneth Warnick were previously withdrawn and dismissed with prejudice and without costs pursuant to a Stipulated Order of Dismissal entered on or about September 12, 2002.

All of Claimants' claims against Respondents Mariner Financial Services, Inc., J. Will Paull, Robert Boone, Clark F. Colton, Jr., William Gregg, Dennis Brown and Kenneth Warnick were held to be statutorily barred by the State of Michigan's Circuit and Appellate Courts.

Claimants, having had an opportunity to review the records and documents produced in prehearing discovery and discuss the contents thereof with their counsel, stipulate and agree to the expungement of all reference to the above-captioned arbitration from all registration records of Respondents J. Will Paull, Robert Boone, Clark F. Colton, Jr., William Gregg, Dennis Brown and Kenneth Warnick maintained by the NASD Central Registration Depository ("CRD").

The parties stipulated and agreed that this matter would be heard by a single arbitrator, the Panel Chairperson, and that any award would be entered by a single arbitrator, the Panel Chairperson (hereinafter referred to as the "Panel").

Prior to a hearing on this matter, Claimants dismissed the claims asserted against Jerome Rydell, Michael Brooks, Larry Joseph Mathewson with prejudice. Thereafter, Claimants informed NASD that the remaining claims had been fully settled, resolved and compromised. In accordance with the agreement of the parties, the parties submitted a stipulation and notice of dismissal which requested that the undersigned arbitrator enter an order and/or award recommending an expungement of any and all references to all claims and Claimants from the permanent registration records of Jerome Rydell, Michael Brooks, Larry Joseph Mathewson maintained by NASD Central Registration Depository ("CRD").

Also prior to a hearing on the matter, Respondents Jerome Rydell, Michael Brooks, Larry Joseph Mathewson dismissed their Counter-Claim against Claimants Kenneth Hunter and Dorothy Hunter.

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators order as follows:

- 1.) All remaining claims and counterclaims, having been withdrawn, are dismissed with prejudice;
- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;

- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondents Jerome S. Rydell, Michael J. Brooks, Larry J. Mathewson, J. Will Paul, William Gregg, Dennis Brown, Robert Boone, Clark F. Colton, Jr., and Kenneth Warnick's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Jerome S. Rydell, Michael J. Brooks, Larry J. Mathewson, J. Will Paul, William Gregg, Dennis Brown, Robert Boone, Clark F. Colton, Jr., and Kenneth Warnick must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby dismissed 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	= \$ 300.00
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 firm that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is Sigma Financial Corporation.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Adjournment Fees

Adjournments requested during these proceedings:

June 25-27, 2002, adjournment requested jointly by Sigma, Rydell, Brooks and Mathewson (waived by panel)	= \$ 1,125.00
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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 a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: March 21, 2002 1 session

Four (4) Pre-hearing sessions with Panel x \$1,125.00 = \$ 4,500.00
Pre-hearing conferences: August 13, 2001 1 session
January 10, 2002 1 session
September 6, 2002 1 session
April 16, 2004 1 session

Total Forum Fees = \$ 4,950.00

Pursuant to the parties' agreement, the Arbitration Panel has assessed \$1,125.00 of the forum fees jointly and severally to Kenneth Hunter, Dorothy Hunter, and Sally Hunter.

Pursuant to the parties' agreement, the Arbitration Panel has assessed \$3,825.00 of the forum fees to Sigma Financial Corporation.

FEE SUMMARY

Claimants, Kenneth Hunter, Dorothy Hunter, and Sally Hunter, are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 1,125.00
<u>Total Fees</u>	= \$ 1,425.00
<u>Less payments</u>	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, Sigma Financial Corporation, is liable for:

Member Fees	= \$ 4,600.00
Forum Fees	= \$ 3,825.00
<u>Total Fees</u>	= \$ 8,425.00
<u>Less payments</u>	= \$ 5,600.00
Balance Due NASD Dispute Resolution	= \$ 2,825.00

Respondents, Sigma Financial Corporation, Jerome S. Rydell, Michael J. Brooks, and Larry J. Mathewson, are jointly and severally liable for:

Counterclaim Filing Fee	= \$ 500.00
<u>Total Fees</u>	= \$ 500.00
<u>Less payments</u>	= \$ 500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATOR

Timothy J. Currier, Esq. - Public Arbitrator, Presiding Chair

Arbitrator's signature:

/s/ Timothy J. Currier, Esq.
Timothy J. Currier, Esq.
Public Arbitrator, Presiding Chair

03/01/05
Signature Date

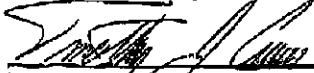
03/02/05
Date of Service (For NASD office use only)

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ARBITRATOR

Timothy J. Currier, Esq. - Public Arbitrator, Presiding Chair

Arbitrator's signature:



Timothy J. Currier, Esq.
Public Arbitrator, Presiding Chair

3-1-05

Signature Date

Date of Service (For NASD office use only)