

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants
Equidev Capital, L.L.C.
Catherine Crosby Wilcock

Case Number: 01-01083

Names of the Respondents
Wedbush Morgan Securities, Inc.
LT Lawrence & Co., Inc.
James Stuart Coleman

Hearing Site: Pittsburgh, Pa

REPRESENTATION OF PARTIES

Claimants, Equidev Capital, L.L.C. ("Equidev") and Catherine Crosby Wilcock ("Wilcock"), hereinafter collectively referred to as "Claimants", were represented by Adrian N. Roe, Esq., Watkins Dulac & Roe, P.C., Pittsburgh, Pennsylvania.

Respondent, Wedbush Morgan Securities, Inc. ("Wedbush"), was represented by Jerry S. Phillips, Esq., Richman, Mann, Chizever, Phillips, & Duboff, P.C., Beverly Hills, California.

Respondent, LT Lawrence & Co, Inc. ("LT Lawrence"), did not appear at the hearing.

Respondent, James Stuart Coleman ("Coleman"), was represented by Maranda Fritz, Esq., Maranda Fritz, P.C., New York, New York.

CASE INFORMATION

Statement of Claim filed by Equidev on March 2, 2001.

A representative of Claimant Equidev signed the Uniform Submission Agreement on March 2, 2001.

Claimant Wilcock did not sign the Uniform Submission Agreement.

First Amended Statement of Claim filed by Claimants on March 15, 2002.

Statement of Answer filed by Respondent Wedbush on May 7, 2001.

A representative of Respondent Wedbush signed the Uniform Submission Agreement on May 7, 2001.

Answering Statement and Motion to Dismiss filed by Respondent Wedbush on April 9, 2002 in response to Claimants' First Amended Statement of Claim.

Respondent LT Lawrence did not file a Statement of Answer.

Respondent LT Lawrence did not file a Uniform Submission Agreement.

Statement of Answer filed by Respondent Coleman on May 7, 2001.

Respondent Coleman signed the Uniform Submission Agreement on May 7, 2001.

Respondent Wedbush filed a Motion to Dismiss on July 1, 2002.

Claimants filed a Brief in Opposition to the Motion to Dismiss of Respondent Wedbush on August 14, 2002.

Respondent Wedbush filed a Reply to Opposition to Motion to Dismiss on August 29, 2002.

CASE SUMMARY

Claimants asserted the following causes of action: fraud; breach of contract; negligence; failure to supervise; breach of fiduciary duty; misrepresentations; and, violations of state and federal securities laws. The causes of action relate to investments in high yield trading programs otherwise known as Prime Bank Programs.

Unless specifically admitted in its Answer, Respondent Wedbush denied the allegations made in the Statement of Claim and asserted the following defenses, among others: failure to state a claim upon which relief may be granted; contributory negligence; laches; estoppel; ratification; waiver; and, failure to mitigate.

Unless specifically admitted in its Answer, Respondent Coleman denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief may be granted; ratification; waiver; and, assumption of the risk.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 3,000,000.00
Punitive Damages	\$ 9,000,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Respondent Wedbush requested that Claimants take nothing by their claims, that Claimants' claims be dismissed, that they be awarded attorneys' fees and costs, and such other relief as the Arbitration Panel deems appropriate.

Respondent Coleman requested dismissal of this action and such other and further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent LT Lawrence have been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

On January 30, 2002 Judge Swain of the U.S. District Court for the Southern District of New York ordered the Claim of Catherine Wilcock against James Coleman be transferred from the District Court to NASD for consolidation with this matter.

On June 6, 2002 the Panel denied Respondent Wedbush's Motion to Dismiss Claimants' First Amended Statement of Claim.

On November 13, 2002 the Panel denied Respondent Wedbush's Motion to Dismiss.

At the hearing Respondents Wedbush and Coleman made motion for a directed verdict. The Panel denied the motions.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims are denied in their entirety;
2. Equidev is liable and shall pay to Wedbush seventy thousand dollars (\$70,000.00) in attorneys' fees pursuant to their arbitration contract;
3. The parties shall pay their respective costs and fees, except as expressly stated above and as Fees are outlined below; and,
4. Any and all relief not specifically addressed herein, including punitive damages, is denied in its entirety.

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	= \$ 600.00
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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 person at the time of the events giving rise to the dispute.

Accordingly, Wedbush is a party.

Member surcharge	= \$ 3,600.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 28-November 1, 2002, adjournment requested by Claimants,
Respondents Wedbush and Coleman = \$ 1,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

Five (5) Pre-hearing sessions with Panel @ \$ 1,200.00 = \$ 6,000.00

Pre-hearing conferences:	October 22, 2001	1 session
	January 30, 2002	1 session
	March 12, 2002	1 session
	June 5, 2002	1 session
	September 30, 2002	1 session

Twelve (12) Hearing sessions @ \$ 1,200.00 = \$14,400.00

Hearing Dates:	March 3, 2003	2 sessions
	March 4, 2003	2 sessions
	March 5, 2003	2 sessions
	June 11, 2003	2 sessions
	June 12, 2003	2 sessions
	June 13, 2003	2 sessions

Total Forum Fees = \$20,400.00

1. The Panel has assessed \$ 10,200.00 of the forum fees to jointly and severally to Claimants.
2. The Panel has assessed \$ 10,200.00 of the forum fees to Respondent Coleman.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Claimants requested copies of audio tapes = \$ 165.00

Fee Summary

1. Claimant Equidev is assessed:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 300.00
<u>Administrative Costs</u>	= \$ 165.00
Total Fees	= \$ 1,065.00
<u>Less payments</u>	= \$ 1,065.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Claimant Wilcock is assessed:

<u>Adjournment Fee</u>	= \$ 300.00
Total Fees	= \$ 300.00
<u>Less payments</u>	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 00.00

3. Claimants are jointly and severally liable for:

<u>Forum Fees</u>	= \$10,200.00
Total Fees	= \$10,200.00
<u>Less Payments</u>	= \$ 900.00
Balance Due NASD Dispute Resolution	= \$ 9,300.00

4. Respondent Wedbush is assessed:

Member Fees	= \$ 9,200.00
<u>Adjournment Fee</u>	= \$ 300.00
Total Fees	= \$ 9,500.00
<u>Less payments</u>	= \$ 9,500.00
Balance Due NASD Dispute Resolution	= \$ 0.00

5. Respondent Coleman is assessed:

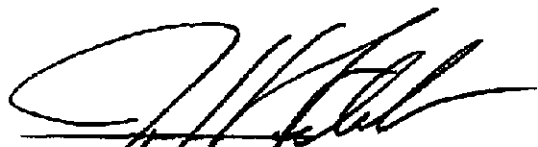
Adjournment Fee	= \$ 300.00
<u>Forum Fees</u>	= \$10,200.00
Total Fees	= \$10,500.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$10,500.00

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

ARBITRATION PANEL

Jay H. Feldstein, Esq.	-	Public Arbitrator, Presiding Chairperson
Larry A. Feldman	-	Public Arbitrator, Panelist
Paul H. McKenna	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Jay H. Feldstein, Esq.
Public Arbitrator, Presiding Chairperson

7/16/03
Signature Date

Larry A. Feldman
Public Arbitrator, Panelist

Signature Date

Paul H. McKenna
Non-Public Arbitrator, Panelist

Signature Date

July 17, 2003
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution

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Concurring Arbitrators' Signatures

Jay H. Feldstein, Esq.

Public Arbitrator, Presiding Chairperson

Signature Date



Larry A. Feldman

Public Arbitrator, Panelist

7-15-03

Signature Date

Paul H. McKenna

Non-Public Arbitrator, Panelist

Signature Date

July 17, 2003

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Concurring Arbitrators' Signatures

Jay H. Feldstein, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Larry A. Feldman
Public Arbitrator, Panelist

Signature Date



Paul H. McKenna
Non-Public Arbitrator, Panelist

7/15/03

Signature Date

July 17, 2003

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