
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

George R. Yetter and Anna L. Yetter

Case Number: 01-01168

Names of the Respondents

Preferred Securities Group, Inc.

Theodore Kaprel Malkasian

Hearing Site: Tampa, FL

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For George R. Yetter and Anna L. Yetter, hereinafter collectively referred to as "Claimants":
Stephen D. Spivey, Esq., Ocala, Florida.

For Preferred Securities Group, Inc. ("Preferred"): Victor A. Lessinger, President, Preferred,
Coral Springs, Florida.

For Theodore Kaprel Malkasian ("Malkasian"): Robert E. Landt, Esq., Landt & Landt, P.A.,
Ocala, Florida.

Respondents Preferred and Malkasian shall hereinafter be collectively referred to as
"Respondents".

CASE INFORMATION

Statement of Claim filed on or about: February 28, 2001.

Claimants signed the Uniform Submission Agreement: February 23, 2001.

Statement of Answer filed by Respondent Preferred on or about: June 21, 2003.

Respondent Preferred did not file an executed Uniform Submission Agreement.

Respondent Malkasian's Answer and Affirmative Defenses and Motion to Dismiss filed on or
about: May 21, 2001.

Respondent Malkasian did not file an executed Uniform Submission Agreement.

Motion for Default against Respondent Preferred ("Motion for Default") filed by Claimants on
or about: December 4, 2003.

Claimants' Motion to Strike and Renewed Motion for Default filed on or about: February 26,
2004.

CASE SUMMARY

Claimants asserted the following causes of action: violations of the Florida Securities and
Investor Protection Act, the Securities Act of 1934, the Securities Exchange Act of 1933, and
state and federal law; fraud; misrepresentation; unsuitability; negligent supervision; failure to
perform due diligence; failure to meet the standards of conduct required under Florida law and

NASD regulations; and, breach of fiduciary duty. The causes of action relate to the purchase of U.S. Automotive Acceptance 1995-1, Inc. corporate notes in Claimants' account.

Unless specifically admitted in its Answer, Respondent Preferred denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in his Answer, Respondent Malkasian denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages of \$10,000.00 plus pre-judgment interest, costs, and attorneys' fees.

Respondent Preferred requested dismissal of the Statement of Claim.

Respondent Malkasian requested that the claims asserted against him be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

On or about May 14, 2001, the Circuit Court of Palm Beach County, Florida in case number CL 01-3819 AD (the "Circuit Court case") issued an order which granted Claimants' and Respondents' stipulated motion to stay the above-captioned arbitration.

On or about April 1, 2003, the Circuit Court of Palm Beach County, Florida entered a Final Judgment of Dismissal of the Circuit Court case. On April 17, 2003, Claimants requested NASD Dispute Resolution resume arbitration of the above-referenced matter.

On or about December 4, 2003, Claimants dismissed, with prejudice, their claims for relief asserted against Respondent Malkasian.

On or about January 5, 2004, the undersigned arbitrator (the "Arbitrator") issued an order which denied Claimants' motion for default.

During the evidentiary hearing, the Arbitrator granted Claimants' Motion to Strike and denied Claimants' Renewed Motion for Default.

Respondent Preferred did not attend the evidentiary hearing. Upon review of the file and representations made by Claimants, the Arbitrator determined that Respondent Preferred has 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").

Respondents Preferred and Malkasian did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determinations of the Arbitrator on all issues submitted.

The parties present at the hearing agreed that the Award in this matter may be executed in

counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Preferred is liable on the claims of common law fraud and violations of Florida Statutes Chapter 517 and shall pay to Claimants compensatory damages in the sum of \$9,957.90 inclusive of pre-judgment interest.

Respondent Preferred is liable and shall pay to Claimants costs in the sum of \$930.13.

The issues of entitlement to and amount, if any, of attorneys' fees to be awarded shall be determined by a court of competent jurisdiction pursuant to Florida Statutes Chapter 517.

Respondent Preferred is liable and shall pay to Claimants the sum of \$75.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution.

Any and all claims for relief not specifically addressed herein are denied.

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	= \$ 75.00
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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 firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Respondent Preferred was a member of NASD until on or about March 22, 2002. Accordingly, the following member fee was assessed against Respondent Preferred.

Member surcharge	= \$ 300.00
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Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were granted during these proceedings for which fees were assessed.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive

No injunctive relief fees were assessed during these proceedings.

Public Arbitrator, Presiding Chairperson

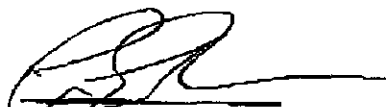
Arbitrator's Signature

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

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Arbitrator's Signature



Eric E. Ludin, Esq.
Public Arbitrator, Presiding Chairperson

3/12/04
Signature Date

Date of Service (For NASD Dispute Resolution office use only)