

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 01-01514

Kenneth T. Show

Name of the Respondents

Hearing Site: Pittsburgh, Pennsylvania

Joseph M. Morgan and
First Union Securities, Inc.

REPRESENTATION OF PARTIES

Claimant Kenneth T. Show, hereinafter referred to as "Claimant", was represented by William T. Jorden, Law Offices of Jorden and White, Meadville, Pennsylvania.

Respondents Joseph M. Morgan ("Morgan") and First Union Securities, Inc. ("First Union"), hereinafter collectively referred to as "Respondents", were represented by Michael Gross, Ulmer & Berne LLP, Cleveland, Ohio.

CASE INFORMATION

Statement of Claim filed on March 22, 2001.

Claimant signed the Uniform Submission Agreement on March 16, 2001.

Joint Answer and Motion to Dismiss of Respondents First Union Securities, Inc. and Joseph M. Morgan was filed on or about May 22, 2001.

Respondent Joseph M. Morgan signed the Uniform Submission Agreement on May 25, 2001.

Patrick M. Dennis, Esq. executed Respondent First Union's Uniform Submission Agreement on April 12, 2001.

Respondents' Motion to Dismiss was filed on or about March 18, 2002.

Respondent Morgan's Motion for Expungement was filed on or about April 25, 2002.

CASE SUMMARY

Claimant asserted the following causes of action, among others: breach of contract; negligence; breach of fiduciary duty; violation of Pennsylvania Consumer Protection Act; and, violations of Pennsylvania Securities Act. The causes of action relate to Respondents' solicitation of Claimant to invest in a private diaper-fiber recycling venture developed by an individual named Barrie Gibbs.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: statutes of limitations; failure to state a claim upon which relief can be granted; contributory negligence; third-party negligence; and, that

Respondents acted in good faith and exercised due care.

RELIEF REQUESTED

Claimant in his Statement of Claim requested:

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|----------------------|---------------------------------|
| Compensatory Damages | \$36,037.18 |
| Punitive Damages | \$10,000.00 |
| Interest | 2% interest since Nov. 23, 1992 |

Respondents in their Statement of Answer requested that Claimant's claims be dismissed, no damages be awarded, and all costs and forum fees be assessed against the Claimant.

AWARD

After considering the pleadings, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims against Respondents are dismissed in their entirety pursuant to applicable statutes of limitations;
2. The Arbitrator recommends the expungement of all reference to the above captioned arbitration from Respondent Morgan's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Morgan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. The parties shall bear their respective costs, including attorney's fees, except as Fees are specifically addressed 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 | = \$175.00 |
|--------------------------|------------|

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. Accordingly, First Union Securities, Inc. is a party.

| | |
|-------------------------|--------------|
| Member surcharge | = \$ 800.00 |
| Pre-hearing process fee | = \$ 600.00 |
| Hearing process fee | = \$1,000.00 |

Forum Fees and Assessments

The Arbitrator has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

| | |
|--------------------------------------------------------------|-------------|
| One (1) Pre-hearing session with a single arbitrator @ \$450 | = \$ 450.00 |
| Pre-hearing conference: December 6, 2001 1 session | |

| | |
|------------------|-------------|
| Total Forum Fees | = \$ 450.00 |
|------------------|-------------|

1. The Arbitrator has assessed \$225 of the forum fees to Claimant.
2. The Arbitrator has assessed \$225 of the forum fees jointly and severally to Respondents.

SEE SUMMARY

1. Claimant is solely liable for:

| | |
|---------------------------------------------------|-------------|
| Initial Filing Fee | = \$ 175.00 |
| Forum Fees | = \$ 225.00 |
| Total Fees | = \$ 400.00 |
| Less payments | = \$ 625.00 |
| Refund owed Claimant from NASD Dispute Resolution | = \$ 225.00 |

2. Respondent, First Union, is solely liable for:

| | |
|-------------------------------------|--------------|
| Member Fees | = \$2,400.00 |
| Total Fees | = \$2,400.00 |
| Less payments | = \$2,400.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

3. Respondents, First Union and Morgan, are jointly and severally liable for:

| | |
|-------------------------------------|-------------|
| Forum Fees | = \$ 225.00 |
| Total Fees | = \$ 225.00 |
| Less payments | = \$ 0.00 |
| Balance Due NASD Dispute Resolution | = \$ 225.00 |

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

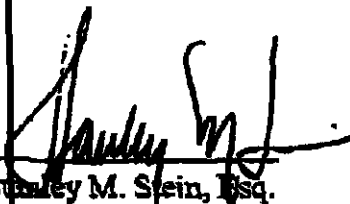
ARBITRATOR

Stanley M. Stein, Esq.

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Public Arbitrator, Presiding Chairperson

Arbitrator's Signature



Stanley M. Stein, Esq.
Public Arbitrator, Presiding Chairperson

11-7-02

Signature Date

November 12 2002

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