

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Names of Claimants/Counter-Respondent

Gerald Ford and Marilyn Ford

and

Case Number: 01-01631
Hearing Site: Troy, Michigan

Names of Respondents/Counter-Claimants

Fahnestock & Co., Inc.,
First of Michigan Corporation
and Mark A. Casebolt

NATURE OF CASE

Customers v. Member, Terminated Member and Associated Person and Member,
Terminated Member and Associated Person v. Claimant

REPRESENTATION OF PARTIES

Gerald Ford and Marilyn Ford ("Claimants") were represented by Anthony V. Trogan, Esq., and Lysa Postula-Stein, Esq., West Bloomfield, Michigan.

Fahnestock & Co., Inc. ("Fahnestock"), First of Michigan Corporation ("FOMC"), and Mark A. Casebolt ("Casebolt") were represented by Bradford T. Yaker, Esq., Hertz, Schram & Saretsky, P.C., Bloomfield Hills, Michigan. Respondents were represented by Michael Coakley, Esq., Miller Canfield Paddock & Stone until on or about September 23, 2003.

CASE INFORMATION

The Statement of Claim was filed on or about April 2, 2001. The Submission Agreements of Claimants Gerald Ford and Marilyn Ford were signed on or about March 22, 2001.

Statement of Answer and Motion to Dismiss, or in the Alternative, Motion for More Definite Statement of Claim and Motion to Strike Exhibit 1 was filed jointly by Respondents Fahnestock, FOMC and Casebolt on or about May 23, 2001. Reply Brief in Support of FOMC's Motion to Dismiss, or in the Alternative, Motion for a More Definite Statement of Claim and to Strike Exhibit 1 was filed on or about July 9, 2001. Claimants submitted a Response to Motions for More Definite Statement on or about October 9, 2001.

The Submission Agreement of Respondent Fahnestock was signed on or about May 3, 2001, by Eric J. Shames. The Submission Agreement of Respondent FOMC was signed on or about May 24, 2001, by Lenore P. Denys. The Submission Agreement of Respondent Mark A. Casebolt was signed on or about May 4, 2001.

Claimants' First Amended Statement of Claim was filed on or about November 30, 2001. Respondents filed a Renewed Motion to Dismiss Statement of Claim and Amended Statement of Claim on or about January 10, 2002. Claimants' filed their Response to the Renewed Motion on or about January 21, 2002. Respondents filed a Reply in Support of their Renewed Motion on or about February 11, 2002.

Respondents jointly filed a Response to First Amended Statement of Claim, Answer to Specific Paragraphs, Affirmative defenses and Counterclaim on or about September 3, 2002. Claimants' Response to Respondents' Counterclaim was filed on or about September 25, 2002.

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 law, and violation of Michigan Consumer's Protection Law. The causes of action related to Claimants' allegations that Respondents were in control of Claimants' account and Respondents introduced margin and short selling into Claimants' account. Claimants asserted that their account became a "pure speculative, high risk trading account" involving various unspecified securities which was contrary to their investment objectives.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimants' Statement of Claim and Amended Statement of Claim, and each count therein, fail to state a claim upon which relief can be granted; Claimants' Statement of Claim and Amended Statement of Claim, and each count therein, are barred by reason of Claimants' own negligence, comparative negligence, and/or contributory negligence; and Claimants' Statement of Claim and Amended Statement of Claim, and each count therein, are barred by reason of Claimants' ratification of the actions complained of in the Statement of Claim and Amended Statement of Claim.

Respondents asserted a counterclaim for repayment of Claimants' debit balance. Claimants denied the allegations made in the counterclaim and asserted affirmative defenses including the following: breach of contract, contributory negligence; and waiver, estoppel, and laches. At hearing, Respondents requested that all references to this matter be expunged from his record maintained by CRD.

RELIEF REQUESTED

Claimants requested an award in the amount of \$888,000.00 in out-of-pocket losses, plus cancellation of the outstanding \$43,000.00 debt, as well as interest, costs, attorney fees, exemplary/punitive damages, rescission, and additional damages as allowed by the panel.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. In their counterclaim, Respondents requested damages of \$40,973.12, plus interest, attorney fees, costs, and expenses.

OTHER ISSUES CONSIDERED & DECIDED

On November 12, 2001, the Panel entered its order granting in part and denying in part Respondents' Motion to Dismiss, or in the Alternative, for a More Definite Statement of Claim and to Strike Exhibit 1 and Amending Initial Pre-Hearing Conference Corrected Scheduling Order.

The panel denied Respondents' Renewed Motion to Dismiss Statement of Claim and Amended Statement of Claim in its Order entered on July 26, 2002.

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

- 1.) Claimant's claims, having been withdrawn, are dismissed with prejudice;
- 2.) Respondents' counterclaims, having been withdrawn, are dismissed with prejudice;
- 3.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 4.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Mark A. Casebolt's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Mark A. Casebolt must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
- 5.) Any relief not specifically enumerated, including exemplary and punitive damages and attorney fees, 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	= \$ 375.00
Counterclaim filing fee	= \$ 1,000.00

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 person at the time of the events giving rise to the dispute. In this matter, the member firms are Fahnestock & Co., Inc. and First of Michigan Corporation.

Member surcharge	= \$ 2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

August 6-8, 2002, adjournment by Claimants (waived by panel)	= \$ 1,200.00
March 18-20, 2003, adjournment by Claimants (waived by panel)	= \$ 1,500.00
October 23-24, 2003, adjournment by Respondents	= \$ 1,200.00
May 11, 2004, adjournment requested jointly (assessed to Respondents)	= \$ 1,200.00
May 12, 2004, adjournment requested jointly (waived by Panel)	= \$ 1,500.00

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 14, 2003 1 session	

Four (4) Pre-hearing sessions with Panel x \$1,200.00	= \$ 4,800.00
Pre-hearing conferences: October 9, 2001 1 session	
October 26, 2001 1 session	
August 8, 2002 1 session	

October 22, 2003 1 session

One (1) Hearing session x \$1,200.00	= \$ 1,200.00
Hearing Date: May 12, 2004 1 session	
Total Forum Fees	= \$ 6,450.00

The Arbitration Panel has assessed \$1,200.00 of the forum fees to Gerald Ford and Marilyn Ford. The Arbitration Panel has assessed \$5,250.00 of the forum fees jointly and severally to Fahnestock & Co., Inc., First of Michigan Corporation, and Mark A. Casebolt.

Fee Summary

Claimants, Gerald Ford and Marilyn Ford, are jointly and severally liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 1,200.00
Total Fees	= \$ 1,575.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, Fahnestock & Co., Inc., is liable for:

Member Fees	= \$ 6,100.00
Total Fees	= \$ 6,100.00
Less payments	= \$ 6,100.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, First of Michigan Corporation., is liable for:

Member Fees	= \$ 6,100.00
Total Fees	= \$ 6,100.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 6,100.00

Respondents, Fahnestock & Co., Inc. First of Michigan Corporation, and Mark A. Casebolt, are jointly and severally liable for:

Counterclaim Filing Fee	= \$ 1,000.00
Adjournment Fees	= \$ 2,400.00
Forum Fees	= \$ 5,250.00
Total Fees	= \$ 8,650.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 8,650.00

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

ARBITRATION PANEL

Marvin I. Horowitz, Esq. - Public Arbitrator, Presiding Chair
Patrick R. Sughrue, Esq. - Public Arbitrator
Peter S. Viviano - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Marvin I. Horowitz, Esq.
Marvin I. Horowitz, Esq.
Public Arbitrator, Presiding Chair

06/30/04
Signature Date

/s/ Patrick R. Sughrue, Esq.
Patrick R. Sughrue, Esq.
Public Arbitrator

06/28/04
Signature Date

/s/ Peter S. Viviano
Peter S. Viviano
Non-Public Arbitrator

06/21/04
Signature Date

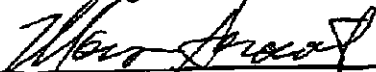
06/30/04
Date of Service (For NASD office use only)

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Peter S. Viviano - Non-Public Arbitrator

Concurring Arbitrators:



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Public Arbitrator, Presiding Chair

6/30/04

Signature Date

Patrick R. Sughrue, Esq.
Public Arbitrator

Signature Date

Peter S. Viviano
Non-Public Arbitrator

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Public Arbitrator, Presiding Chair

Signature Date

Patrick R. Sughrue, Esq.
Public Arbitrator

Signature Date



Peter S. Viviano
Non-Public Arbitrator

21 June 2004
Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 01-01831
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Concurring Arbitrators:

Marvin I. Horowitz, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Patrick R. Sughrue, Esq.
Public Arbitrator

6-28-04

Signature Date

Peter S. Viviano
Non-Public Arbitrator

Signature Date

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06/30/04
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Patrick R. Sughrue, Esq.
Public Arbitrator

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Signature Date

/s/ Peter S. Viviano
Peter S. Viviano
Non-Public Arbitrator

06/21/04
Signature Date

06/30/04
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