

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

David S. Cheslin

and

01-01874
Southfield, Michigan

McDonald Investments
William R. Eastin, and
David K. Green

REPRESENTATION OF PARTIES

David S. Cheslin ("Claimant") was represented by Lawrence E. Elkus, Esq., Lawrence M. Elkus, PLC, Farmington Hills, Michigan, and Stuart Berkowitz, Esq., Platke and Berkowitz, St. Louis, Missouri.

McDonald Investments, ("McDonald") William R. Eastin ("Eastin"), and David K. Green ("Green"), hereinafter referred to as "Respondents," were represented by Anne W. Larkin, Esq., and Dennis Concilla, Esq., Carlile Patchen & Murray LLP, Columbus, Ohio.

CASE INFORMATION

The Statement of Claim was filed on or about April 12, 2001. The Submission Agreement of Claimant David S. Cheslin was signed on March 20, 2001.

Statement of Answer was filed by Respondents McDonald, Eastin and Green on or about June 12, 2001. The Submission Agreement of Respondent McDonald Investments, Inc. was signed on June 6, 2001 by Henry Kerr, General Counsel. The Submission Agreement of Respondent William R. Eastin was signed on June 6, 2001. The Submission Agreement of Respondent David K. Green was signed on June 6, 2001.

CASE SUMMARY

Claimant asserted that Respondents' investment recommendations were unsuitable and inconsistent with Claimant's stated investment objectives. At issue were various high tech stocks and margin trading.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: The claim fails to state a claim upon which relief can be granted; Claimant's claims are barred by the doctrine of waiver and/or estoppel; and the claim is barred by the doctrine of laches.

RELIEF REQUESTED

Claimant requested an award in the amount of \$580,000.00, pre-award and post-award interest, costs and expenses, including attorneys' fees, consulting fees, expert witness fees, filing fees

and any other costs deemed reasonable and just as allowed under the Michigan Uniform Securities Act.

Respondents requested that the Statement of Claim be dismissed in its entirety, that Claimant be required to pay all filing and forum fees, and that the CRD records be expunged.

OTHER ISSUES CONSIDERED & DECIDED

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, Inc. (the "NASD").

AWARD

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

- 1.) Respondents, McDonald Investments, Inc., and William R. Eastin, are jointly and severally liable for and shall pay to Claimant, David S. Cheslin, the sum of \$300,000.00 in compensatory damages;
- 2.) That 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 Respondent David K. Green's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent Green must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
- 4.) That any relief not specifically enumerated, including punitive damages is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 375.00

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 McDonald Investments, Inc.

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

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 Panel x \$1,200.00	= \$1,200.00
Pre-hearing conference: October 10, 2001 1 session	
Seven (7) Hearing sessions x \$1,200.00	= \$8,400.00
Hearing Dates: January 21, 2002 2 sessions	
January 22, 2002 3 sessions	
January 23, 2002 2 sessions	
Total Forum Fees	= \$9,600.00

The Arbitration Panel has assessed \$4,800.00 of the forum fees to David S. Cheslin.
The Arbitration Panel has assessed \$4,800.00 of the forum fees jointly and severally to McDonald Investments, Inc. and William R. Eastin.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, and security.

Claimant requested catering	= \$37.20
Respondents requested catering	= \$37.20

Fee Summary

Claimant, David S. Cheslin, is liable for:

Initial Filing Fee	= \$ 375.00
Administrative Costs	= \$ 37.20
Forum Fees	= \$ 4,800.00
Total Fees	= \$ 5,212.20
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 3,637.20

Respondent, McDonald Investments, Inc., is liable for:

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

Respondents, McDonald Investments, Inc. and William R. Eastin are jointly and severally liable for:

Administrative Costs	\$ 37.20
Forum Fees	= \$ 4,800.00
Total Fees	= \$ 4,837.20
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,837.20

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Jacqueline R. Fox, Esq. - Public Arbitrator, Presiding Chair
Francis C. Flood, Esq. - Public Arbitrator
Larry C. Kreul - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Jacqueline R. Fox, Esq.
Jacqueline R. Fox, Esq.
Public Arbitrator, Presiding Chair

02/05/02
Signature Date

/s/ Francis F. Flood
Francis C. Flood, Esq.
Public Arbitrator

01/29/02
Signature Date

/s/ Larry C. Kreul
Larry C. Kreul
Non-Public Arbitrator

02/05/02
Signature Date

02/06/02
Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 01-01974
Award Page 4 of 4

Respondent, McDonald Investments, Inc., is liable for:

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

Respondents, McDonald Investments, Inc. and William R. Eastin are jointly and severally liable for:

Administrative Costs	\$ 37.20
Forum Fees	= \$ 4,800.00
Total Fees	= \$ 4,837.20
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,837.20

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ARBITRATION PANEL

Jacqueline R. Fox, Esq. - Public Arbitrator, Presiding Chair
Francis C. Flood, Esq. - Public Arbitrator
Larry C. Kreul - Non-Public Arbitrator

Concurring Arbitrators:

Jacqueline R. Fox, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Francis C. Flood, Esq.
Public Arbitrator

Signature Date

Larry C. Kreul
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution, Inc.
Arbitration No. 01-01674
Award Page 4 of 4

Respondent, McDonald Investments, Inc., is liable for:

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

Respondents, McDonald Investments, Inc. and William R. Eastin are jointly and severally liable for:

Administrative Costs	\$ 37.20
Forum Fees	= \$ 4,800.00
Total Fees	= \$ 4,837.20
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,837.20

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Jacqueline R. Fox, Esq. - Public Arbitrator, Presiding Chair
Francis C. Flood, Esq. - Public Arbitrator
Larry C. Kreul - Non-Public Arbitrator

Concurring Arbitrators:

Jacqueline R. Fox, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Francis C. Flood, Esq.
Public Arbitrator

Signature Date



Larry C. Kreul
Non-Public Arbitrator

2/5/02

Signature Date

Date of Service (For NASD office use only)

Respondent, McDonald Investments, Inc., is liable for:

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

Respondents, McDonald Investments, Inc. and William R. Eastin are jointly and severally liable for:

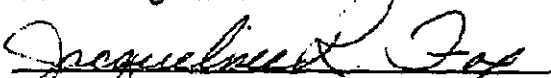
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Forum Fees	= \$ 4,800.00
Total Fees	= \$ 4,837.20
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 4,837.20

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Jacqueline R. Fox, Esq. - Public Arbitrator, Presiding Chair
Francis C. Flood, Esq. - Public Arbitrator
Larry C. Kreul - Non-Public Arbitrator

Concurring Arbitrators:


Jacqueline R. Fox, Esq.
Public Arbitrator, Presiding Chair

Feb 5, 2002
Signature Date

Francis C. Flood, Esq.
Public Arbitrator

Signature Date

Larry C. Kreul
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)