

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of the Claimants

Travis Balch and Betty Ann Balch
and IRA for FBO Betty Ann Balch

Case Number: 01-01927

Names of the Respondents

John R. Taylor Financial Group, Inc.
and John R. Taylor, individually

Hearing Site: Little Rock, Arkansas

REPRESENTATION OF PARTIES

For Travis Balch and Betty Ann Balch and IRA for FBO Betty Ann Balch, hereinafter collectively referred to as "Claimants": Ronald W. Metcalf, Esq., Fort Smith, AR.

For John R. Taylor Financial Group, Inc. ("Group") and John R. Taylor ("Taylor"), hereinafter collectively referred to as "Respondents": Michael J. Ptak, Esq. of Pender, McCastlain & Ptak, PA, Little Rock, AR.

CASE INFORMATION

Statement of Claim filed on or about: April 16, 2001.

Claimants signed the Uniform Submission Agreement: April 12, 2001.

Statement of Answer filed by Respondents on or about: June 21, 2001.

Respondent Taylor signed the Uniform Submission Agreement: July 3, 2001.

Respondent Group signed the Uniform Submission Agreement: June 20, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; negligence; and, misrepresentation. The causes of action relate to the purchase and sale of 25,000 Global Star LP bonds and 30,000 Iridium, LLC bonds in Claimants' accounts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses including: laches; waiver; and, ratification.

RELIEF REQUESTED

Claimants requested compensatory damages of \$49,949.00 plus prejudgment interest, attorneys' fees, costs, and such other relief to which they are entitled.

Respondents requested dismissal of the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

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

Claimants' Statement of Claim is dismissed, with prejudice.

Any and all relief not specifically addressed herein is denied.

FEEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$175.00
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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. In this matter, the member firm was terminated on or about May 7, 2001 but continued to participate in these proceedings.

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

Adjournment Fees

Adjournments requested during these proceedings:

January 11, 2002, adjournment by Respondents	= \$450.00
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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 relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

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(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$900.00
Pre-hearing conferences: October 8, 2001 1 session	
April 2, 2002 1 session	
Two (2) Hearing sessions @ \$450.00	= \$900.00
Hearing Date: April 9, 2002 2 sessions	
Total Forum Fees	= \$1,800.00

1. The Arbitrator has assessed \$900.00 of the forum fees jointly and severally to Claimants.
2. The Arbitrator has assessed \$900.00 of the forum fees jointly and severally to Respondents.

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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

1. Claimants are jointly and severally liable for:	
Initial Filing Fee	= \$175.00
Forum Fees	= \$900.00
Total Fees	= \$1,075.00
Less payments	= \$625.00
Balance Due NASD Dispute Resolution, Inc.	= \$450.00
2. Respondent Group is solely liable for:	
Member Fees	= \$2,400.00
Total Fees	= \$2,400.00
Less payments	= \$0.00
Balance Due NASD Dispute Resolution, Inc.	= \$2,400.00

3. Respondents are jointly and severally liable for:

Forum Fees	= \$900.00
Adjournment Fee	= \$450.00

Total Fees	= \$1,350.00
Less payments	= \$0.00

Balance Due NASD Dispute Resolution, Inc.	= \$1,350.00
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All balances are payable to NASD Dispute Resolution, Inc. and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Angelia J. Tolbert, Esq. - Public Arbitrator, Presiding Chair

Arbitrator's Signature

/s/

Angelia J. Tolbert, Esq.
Public Arbitrator, Presiding Chair

Signature Date

May 20, 2002

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

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3. Respondents are jointly and severally liable for:

Forum Fees = \$900.00

Adjournment Fee = \$450.00

Total Fees = \$1,350.00

Less payments = \$0.00

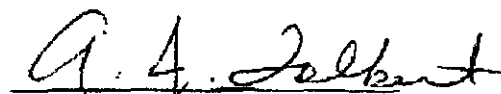
Balance Due NASD Dispute Resolution, Inc. = \$1,350.00

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

ARBITRATION PANEL

Angelia J. Tolbert, Esq.

Public Arbitrator, Presiding Chair

Arbitrator's SignatureAngelia J. Tolbert, Esq.
Public Arbitrator, Presiding Chair
Signature DateDate of Service (For NASD-Dispute Resolution office use only)