

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of the Claimants

James A. and Betty L. Denman, Trustees of
the Denman Family Trust
James A. Denman, IRA
Betty L. Denman, IRA
William A. and Mary Anne Denman, Trustees of
the William and Mary Anne Denman Trust
B. Louise DiDay

Case Number: 01-02082

Master Case

Names of the Respondents

IAC Securities, Inc.
John E. Prokop
Thomas D. Gualdoni
Kathleen Halferty
Michael Scherrman
Brian Lenart

Hearing Site: Pittsburgh, PA

In the Matter of the Arbitration Between:

Names of the Claimants

Lewis P. and Iris J. Rotz, JNT
Lewis P. Rotz
Lewis P. Rotz, IRA
Mary Ann Caccarozzo
Anita Hart
Virgil and Barbara Mokodean, JNT
Virgil Mokodean
Barbara Mokodean
Elizabeth D. Mylonas
Douglas A. Oblinger
Edward J. and Barbara A. Scheetz, JNT
Gerald J. Scheetz
Andrew C. and Twylah J. Schmidt, JNT
Andrew C. Schmidt
Twylah J. Schmidt

Case Number: 01-03964

Subordinate Case

Names of the Respondents

IAC Securities, Inc.
John E. Prokop
Thomas D. Gualdoni
Kathleen Halferty

Hearing Site: Pittsburgh, PA

Michael Scherrman
Brian Lenart

In the Matter of the Arbitration Between:

Names of the Claimants

William H. and Delores M. Lackey
Clinton A. and Laura E. Apple, JNT
Clinton A. Apple
Laura E. Apple
Christopher and Margaret Beastro, JNT
Christopher Beastro
Christopher Beastro, IRA
Blase Brush, Jr. and Laurie J. Brush, JNT
Blase Brush, Jr.
Robert F. and Mary E. Corll, JNT
Gerald A. and Deborah A. Dimoff, JNT
Windle F. and Wanda Hedger, JNT
Thomas E. and Irene Micklas, JNT and as
Trustees of the Thomas E. and Irene Micklas Trust

Case Number: 01-04165
Subordinate Case

Names of the Respondents

IAC Securities, Inc.
John E. Prokop
Thomas D. Gualdoni
Kathleen Halferty
Michael Scherrman
Brian Lenart

Hearing Site: Pittsburgh, PA

In the Matter of the Arbitration Between:

Names of the Claimants

James D. and Jean A. Bertolini, JNT and as
Trustees of the Bertolini Family Revocable Trust
Betty L. Bianco
William L. Helmbrecht
William L. and Grace O. Helmbrecht, JNT
Patricia M. Lindsay
Raymond and Diane Matuz, JNT
Diane Matuz
Frank D. and Vianna L. Penezich, JNT
Edward R. and Karen E. Pompano, JNT
Dion E. Pompano
Richard L. and Carol L. Pappach, JNT

Case Number: 01-05871
Subordinate Case

Richard L. Pappach
Martin A. Rathburn
Sharon J. Rich
Joseph S. and Helen E. Speziale, JNT

Names of the Respondents

Hearing Site: Pittsburgh, PA

IAC Securities, Inc.
John E. Prokop
Thomas D. Gualdoni
Kathleen Halferty
Michael Scherrman
Brian Lenart

Nature of the Dispute: Customers vs. Member and Associated Persons

REPRESENTATION OF PARTIES

Claimants, James A. and Betty L. Denman, Trustees of the Denman Family Trust, James A. Denman, IRA, Betty L. Denman, IRA, William A. and Mary Anne Denman, Trustees of the William and Mary Anne Denman Trust, B. Louis DiDay, Lewis P. and Iris J. Rotz, JNT, Lewis P. Rotz, Lewis P. Rotz, IRA, Mary Ann Caccarozzo, Anita Hart, Virgil and Barbara Mokodean, JNT, Virgil Mokodean, Barbara Mokodean, Elizabeth D. Mylonas, Douglas A. Oblinger, Edward J. and Barbara A. Scheetz, JNT, Gerald J. Scheetz, Andrew C. and Twylah J. Schmidt, JNT, Andrew C. Schmidt, Twylah J. Schmidt, William H. and Delores M. Lackey, JNT, Clinton A. and Laura E. Apple, JNT, Christopher and Margaret Beastro, JNT, Christopher Beastro, Christopher Beastro, IRA, Blase Brush, Jr. and Laurie J. Brush, JNT, Blase Brush, Jr., Robert F. and Mary E. Corll, JNT, Gerald A. and Deborah A. Dimoff, JNT, Windle F. and Wanda Hedger, JNT, Thomas E. and Irene Micklas, JNT and as Trustees of the Thomas E. and Irene Micklas Trust, James D. and Jean A. Bertolini, JNT and as Trustees of the Bertolini Family Revocable Trust, Betty L. Bianco, William L. Helmbrecht, William L. and Grace O. Helmbrecht, JNT, Patricia M. Lindsay, Raymond and Diane Matuz, JNT, Diane Matuz, Frank D. and Vianna L. Penezich, JNT, Edward R. and Karen E. Pompano, JNT, Dion E. Pompano, Richard L. and Carol L. Pappach, JNT, Richard L. Pappach, Martin A. Rathburn, Sharon J. Rich, Joseph S. and Helen E. Speziale, JNT, were represented by Joel A. Goodman, Esq., Goodman & Nekvasil, P.A., Clearwater, Florida.

Respondent, IAC Securities, Inc. ("IAC"), Thomas D. Gualdoni ("Gualdoni"), Kathleen Halferty ("Halferty"), Michael Scherrman ("Scherrman"), and Brian Lenart ("Lenart") were represented by Andrew B. David, Esq., Sugar, Friedberg & Felsenthal, Chicago, Illinois.

Respondent, John E. Prokop ("Prokop"), was represented by Edward L. Lavelle, Esq., Letson, Griffith, Woodall, Lavelle & Rosenberg Co., L.P.A., Warren, Ohio.

CASE INFORMATION

Case No. 02-02082

Statement of Claim filed on April 25, 2001.

First Amended Statement of Claim in the consolidated matter filed on July 31, 2002.

Claimants James A. and Betty L. Denman, individually and as Trustees of the Denman Family Trust signed the Uniform Submission Agreement on March 7, 2001.

Claimants William A. and Mary Anne Denman, Trustees of the William and Mary Anne Denman Trust, signed the Uniform Submission Agreement on April 19, 2001.

Claimant B. Louise DiDay signed the Uniform Submission Agreement on March 14, 2001.

Joint Stipulation and Motion of the Parties to Join and Consolidate Claimants Pursuant to Rule 10314(d), and Unopposed Motion by Claimants to Amend the Pleadings to Allow Service and Filing on Certain Additional Respondents Pursuant to Rule 10328(b) filed on June 21, 2002.

Statement of Answer to the First Amended Statement of Claim filed by Respondents IAC, Gualdoni, Halferty, Scherrman, and Lenart on or about November 11, 2002.

Respondent Gualdoni signed the Uniform Submission Agreement on November 10, 2002.

Respondent Halferty signed the Uniform Submission Agreement on November 12, 2002.

Respondent Scherrman signed the Uniform Submission Agreement on November 11, 2002.

Respondent Lenart signed the Uniform Submission Agreement on November 10, 2002.

Motion to Dismiss filed by Respondents IAC, Gualdoni, Halferty, Scherrman, and Lenart on November 11, 2002.

Claimants' Response to Respondents' Motion to Dismiss filed on February 12, 2003.

Claimants' Notice of Filing Documents in Opposition to Respondents Motion to Dismiss filed on February 13, 2003.

Respondents IAC's, Gualdoni's, Halferty's, Scherrman's, and Lenart's Reply in Support their Motion to Dismiss filed on March 5, 2003.

Motion to Stay Proceedings filed by Respondent Prokop on May 1, 2003.

Response by Respondents IAC, Gualdoni, Halferty, Scherrman, and Lenart filed on May 29, 2003.

Claimants' Opposition to Motion to Stay Proceedings filed on June 2, 2003.

Claimants' Motion to Bar Respondent Prokop's Answer and Defenses filed on May 25, 2004.

Respondent Prokop's Response to Claimants' Motion to Bar Respondent Prokop's Answer and Defenses and Second Request to Stay Proceedings filed on June 14, 2004.

Claimants' Response to Respondent Prokop's Second Request for a Stay filed on June 28, 2004.

Claimants' Motion for Sanctions Against Respondent Prokop filed on July 28, 2004

Claimants' Motion for Default Award Against Respondent Prokop filed on July 30, 2004.

Statement of Answer filed by Respondent Prokop on August 6, 2004.

Case No. 01-03964

Statement of Claim filed on July 24, 2001.

Amended Statement of Claim filed on September 26, 2001.

Claimants Lewis and Iris Rotz signed the Uniform Submission Agreement on March 8, 2001.

Claimant Mary Ann Caccarazzo signed the Uniform Submission Agreement on March 31, 2001.

Claimant Anita Hart signed the Uniform Submission Agreement on February 2, 2001.

Claimants Virgil and Barbara Mokodean signed the Uniform Submission Agreement on March 12, 2001.

Claimant Elizabeth D. Mylonas signed the Uniform Submission Agreement on April 19, 2001.

Claimant Douglas A. Oblinger signed the Uniform Submission Agreement on April 21, 2001.

Claimants Edward J. and Barbara A. Scheetz signed the Uniform Submission Agreement on September 20, 2001.

Claimant Gerald J. Scheetz signed the Uniform Submission Agreement on September 19, 2001.

Claimants Andrew C. and Twylah J. Schmidt signed the Uniform Submission Agreement on February 18, 2001.

Statement of Answer filed by Respondent IAC on or about October 1, 2001.

Statement of Answer to the Amended Statement of Claim filed on or about October 16, 2001.

A representative of Respondent IAC signed the Uniform Submission Agreement on September 28, 2001.

Case No. 01-4165

Statement of Claim filed on August 3, 2001.

First Amended Statement of Claim filed on September 24, 2001.

Claimants William H. and Delores M. Lackey signed the Uniform Submission Agreement on April 30, 2001.

Claimants Clinton A. and Laura E. Apple signed the Uniform Submission Agreement on January 31, 2001.

Claimants Christopher and Margaret Beastro signed the Uniform Submission Agreement on February 26, 2001.

Claimants Blase Brush, Jr. and Laura J. Brush signed the Uniform Submission Agreement on March 24, 2001.

Claimants Robert F. and Mary E. Corll signed the Uniform Submission Agreement on February 26, 2001.

Claimants Gerald A. and Deborah A. Dimoff signed the Uniform Submission Agreement on April 5, 2001.

Claimants Windle Hedger & Wanda Hedger signed the Uniform Submission Agreement on April 11, 2001.

Claimants Thomas E. and Irene Micklas, Individually and as Trustees of the Thomas E. and Irene Micklas Trust signed the Uniform Submission Agreement on April 9, 2001.

Statement of Answer filed by Respondent IAC on October 11, 2001.

A representative of Respondent IAC signed the Uniform Submission Agreement on September 28, 2001.

Case No. 01-05871

Statement of Claim filed on November 11, 2001.

Claimants James D. and Jean A. Bertolini signed Uniform Submission Agreements on January 19, 2001 and March 26, 2001, respectively.

Claimant Betty L. Bianco signed the Uniform Submission Agreement on May 26, 2001.

Claimants William L. and Grace O. Helmbrecht signed the Uniform Submission Agreement on May 1, 2001.

Claimant Patricia M. Lindsay signed the Uniform Submission Agreement on February 21, 2001.

Claimants Raymond and Diane Matuz signed the Uniform Submission Agreement on April 23, 2001.

Claimants Frank D. and Vianna L. Penezich signed the Uniform Submission Agreement on March 29, 2001.

Claimants Edward R. and Karen E. Pompono signed the Uniform Submission Agreement on February 6, 2001.

Claimant Dion E. Pompono signed the Uniform Submission Agreement on February 12, 2001.

Claimants Richard S. and Carol L. Pappach signed the Uniform Submission Agreement on March 31, 2001.

Claimant Martin A. Rathburn signed the Uniform Submission Agreement on March 26, 2001.

Claimant Sharon J. Rich signed the Uniform Submission Agreement on April 24, 2001.

Claimants Joseph S. and Helen E. Speziale signed the Uniform Submission Agreement on February 26, 2001.

Statement of Answer filed by Respondent IAC on or about January 14, 2002.

A representative of Respondent IAC signed the Uniform Submission Agreement on November 27, 2001 and another on January 10, 2002.

CASE SUMMARY

Claimants, in their First Amended Statement of Claim filed in the consolidated matter, asserted the following causes of action: violation of Ohio Securities Act; violation of Federal Securities Act; breach of contract; common law fraud; constructive fraud through breach of fiduciary duty; negligence; and, gross negligence. The causes of action relate to the sale, purchase and lease-back of pay telephones.

Unless specifically admitted in their Amended Answer, Respondents IAC, Gualdoni, Halferty, Scherrman, and Lenart denied the allegations made in the First Amended Statement of Claim filed in the consolidated matter and asserted the following defenses among others: failure to state a claim upon which relief may be granted; contributory/comparative negligence; statute of limitations; and, estoppel, waiver, and laches.

Unless specifically admitted in his Answer, Respondent Prokop denied the allegations made in the First Amended Statement of Claim filed in the consolidated matter and asserted the following defenses among others: failure to state a claim upon which relief may be granted; failure to mitigate; contributory/ comparative negligence; statute of limitations; estoppel, waiver and laches; and, the

arbitration panel abused its discretion by not staying this action as Respondent Prokop did not have access to related documents as they are in the possession of the Federal Bureau of Investigation.

RELIEF REQUESTED

Claimants requested compensatory damages in the following amounts at hearing as an amendment to the First Amended Statement of Claim filed in the consolidated matter:

James A. and Betty L. Denman, Individually and as Trustees of the Denman Family Trust	\$1,045,386.54
William A. and Mary Anne Denman, JNT and as Trustees of the William and Mary Anne Denman Trust	\$155,847.01
B. Louis DiDay	\$19,244.46
Lewis P. and Iris J. Rotz	\$37,215.13
Mary Ann Caccarozzo	\$16,873.29
Anita Hart	\$19,659.34
Virgil Mokodean and Barbara Mokodean	\$127,555.28
Elizabeth D. Mylonas	\$28,724.91
Douglas A. Oblinger	\$97,158.36
Edward J. and Barbara A. Scheetz	\$232,217.04
Gerald J. Scheetz	\$219,906.49
Andrew C. and Twylah J. Schmidt	\$64,545.76
William H. and Delores M. Lackey	\$274,320.28
Clinton A. Apple, and Laura E. Apple	\$60,677.56
Christopher and Margaret Beastro	\$64,909.70
Blase Brush, Jr. and Laurie J. Brush	\$28,058.48
Robert F. and Mary E. Corll	\$27,253.36
Gerald A. and Deborah A. Dimoff	\$19,469.37
Windle F. and Wanda Hedger	\$19,145.62
Thomas E. and Irene Micklas, JNT and as Trustees of the Thomas E. and Irene Micklas Trust	\$94,720.04
James D. and Jean A. Bertolini, JNT and as Trustees of the Bertolini Family Revocable Trust	\$18,699.40
Betty L. Bianco	\$28,342.62
William L. and Grace O. Hambrecht	\$25,636.92
Patricia M. Lindsay	\$28,262.96
Raymond and Diane Matuz	\$69,173.76
Frank D. and Vianna L. Penezich	\$18,172.60
Edward R. and Karen E. Pompano, and their son, Deon E. Pompano	\$35,163.70
Richard L. and Carol L. Papacy	\$121,100.15
Martin A. Rathburn	\$38,345.97
Sharon J. Rich	\$64,792.00
Joseph S. and Helen E. Speziale	\$45,579.45

Additionally, Claimants requested punitive damages, interest, attorneys' fees, and costs in unspecified amounts.

Respondents IAC, Gualdoni, Halferty, Scherrman, and Lenart requested that the First Amended Statement of Claim filed in the consolidated matter be dismissed in its entirety with prejudice, and that the Panel award them reasonable attorneys' fees in addition to all costs and expenses incurred in this arbitration.

Respondent Prokop requested judgment in his favor and/or the dismissal of this matter.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Prokop did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to NASD Code of Arbitration Procedure (the "Code"), and having answered the claim, is bound by the determination of the Arbitration Panel (the "Panel") on all issues submitted.

On July 10, 2002, the Panel granted (1) the parties joint stipulation and motion to join and consolidate the above-captioned matters and (2) the motion by Claimants to amend the Statement of Claim to add the following Respondents: Prokop, Gualdoni, Halferty, Scherrman and Lenert.

On or about April 9, 2003, the Panel denied the Motion to Dismiss submitted by Respondents IAC, Gualdoni, Halferty, Sherrman, and Lenart.

The Panel denied Respondent Prokop's Motion to Stay Proceeding in an order dated June 19, 2003.

The Panel (1) denied Claimants' Motion to Bar Respondent Prokop's Answer and Defenses and (2) denied Respondent Prokop's Second Request to Stay the Proceedings in an order dated July 1, 2004.

The Claimants withdrew their claims with prejudice against Respondents IAC, Gualdoni, Halferty, Scherrman and Lenert on or about July 30, 2004.

The Panel denied Claimants' Motion for Default Award and deferred ruling on Claimants' Motion for Sanctions in an order dated August 23, 2004.

Respondent Prokop's representative appeared at the beginning of the hearing on the merits and made an objection to the jurisdiction of NASD Dispute Resolution and the Panel over his client and departed.

Mr. Prokop did not appear. Upon review of the file and the representations made by and on behalf of the Claimants, the Panel determined that Respondent Prokop had 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 Code.

Claimants moved the Panel at the hearing on the merits to amend the individual relief requests contained in the First Amended Statement of Claim filed in the consolidated matter. The Panel granted Claimants' request.

At the close of Claimants' case-in-chief, they moved the Panel to accept Claimants' petition for specific findings of fact, for recovery of itemized costs and for attorneys' fees.

AWARD

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

1. The Panel finds that Respondent Prokop violated Ohio and federal securities laws by selling unregistered securities;
2. The Panel finds that Respondent Prokop, in his securities sales practices, committed gross negligence, fraudulent inducement and fraudulent misrepresentation;
3. The award by the Panel results directly from the Panel's findings of security law violations and fraudulent and negligent sales practices;
4. Respondent Prokop is liable to and shall pay to Claimants as compensatory damages a total of three million one hundred thirty-eight thousand twenty-seven dollars and fifty-five cents (\$3,138,027.55) in the individual amounts set forth in Exhibit A, attached hereto, with simple interest at a rate of ten percent (10%) from September 1, 2004 until the award is paid in full;
5. Respondent Prokop is liable to and shall pay to Claimants as punitive damages a total of one million five hundred seventy-four thousand thirteen dollars and seventy-nine cents (\$1,574,013.79) pursuant to *Parston v. Murth*, 32 Ohio St. 3rd 334, 512 N.R. 2nd 1174 in the individual amounts set forth in Exhibit A, attached hereto;
6. Respondent Prokop shall pay to Claimants as sanctions for failure to comply with the Panel's orders a total of four hundred seventy-one thousand two hundred four dollars and thirteen cents (\$471,204.13) in the individual amounts set forth in Exhibit A, attached hereto;
7. Respondent Prokop is liable to and shall pay to Claimants the sum of eleven hundred twenty-five dollars and no cents (\$1,125.00) as reimbursement of claim filing fees;
8. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,
9. Any and all relief not specifically addressed herein is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

Case No: 01-02082

Filing Fees

NASD Dispute Resolution will retain or collect 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 person at the time of the events giving rise to the dispute.

Accordingly, IAC is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed to Respondents IAC, Gualdoni, Halferty, Scherrman and Lenart

Hearings scheduled on June 17-21, 2002	= \$ 1,200.00
Hearings scheduled on April 5-9 and 12-14, 2004	= \$ 1,200.00

Forum Fees and Assessments

The Panel 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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: January 7, 2002 1 session	

Four (4) Pre-hearing sessions with Panel @ \$1,200.00	= \$ 4,800.00
Pre-hearing conferences: November 2, 2001 1 session	
April 1, 2003 1 session	
April 3, 2003 1 session	
July 1, 2004 1 session	

Four (4) Hearing sessions @ \$1,200.00	= \$ 4,800.00
Hearing Dates: August 30, 2004 3 sessions	
August 31, 2004 1 session	

Total Forum Fees	= \$10,050.00
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The Panel has assessed \$10,050.00 of the forum fees to Respondent Prokop.

Fee Summary

1. Claimants are jointly and severally assessed and shall pay:

Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 1,575.00
Refund Due Claimants from NASD Dispute Resolution	= \$ 1,200.00

2. Respondent IAC is assessed and shall pay:

<u>Member Fees</u>	= \$ 6,100.00
Total Fees	= \$ 6,100.00
<u>Less payments</u>	= \$ 6,100.00
Balance Due NASD Dispute Resolution	= \$ 00.00

3. Respondents IAC, Gualdoni, Halferty, Scherrman and Lenart are jointly and severally assessed and shall pay:

<u>Adjournment Fees</u>	= \$ 2,400.00
Total Fees	= \$ 2,400.00
<u>Less payments</u>	= \$ 1,200.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

4. Respondent Prokop is assessed and shall pay:

<u>Forum Fees</u>	= \$10,050.00
Total Fees	= \$10,050.00
<u>Less payments</u>	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$10,050.00

Case No: 01-03694

Filing Fees

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

Initial claim filing fee	= \$ 150.00
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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 that employed the associated person at the time of the events giving rise to the dispute.

Accordingly, IAC is a party.

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

Forum Fees and Assessments

The Panel 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:

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: May 6, 2002 1 session	

Total Forum Fees	= \$ 1,200.00
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The Panel has assessed \$1,200.00 of the forum fees to Respondent Prokop.

Fee Summary

1. Claimants are jointly and severally assessed and shall pay:	
Initial Filing Fee	= \$ 150.00
Total Fees	= \$ 150.00
Less payments	= \$ 1,575.00
Refund Due Claimants from NASD Dispute Resolution	= \$ 1,425.00
2. Respondent IAC is assessed and shall pay:	
Member Fees	= \$ 4,700.00
Total Fees	= \$ 4,700.00
Less payments	= \$ 1,200.00
Balance Due NASD Dispute Resolution	= \$ 3,500.00
3. Respondent Prokop is assessed and shall pay:	
Forum Fees	= \$ 1,200.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$ 1,200.00

Case No: 01-04165

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:
 Initial claim filing fee = \$ 300.00

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 person at the time of the events giving rise to the dispute.

Accordingly, IAC is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Forum Fees and Assessments

The Panel 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:

One (1) Pre-hearing session with Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: April 18, 2002 1 session	
Total Forum Fees	= \$ 1,125.00

The Panel has assessed \$1,125.00 of the forum fees to Respondent Prokop.

Fee Summary

1. Claimants are jointly and severally assessed and shall pay:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$ 1,425.00
Refund Due Claimants from NASD Dispute Resolution	= \$ 1,125.00

2. Respondent IAC is assessed and shall pay:

<u>Member Fees</u>	= \$ 4,600.00
<u>Total Fees</u>	= \$ 4,600.00
<u>Less payments</u>	= \$ 2,100.00
Balance Due NASD Dispute Resolution	= \$ 2,500.00

3. Respondent Prokop is assessed and shall pay:

<u>Forum Fees</u>	= \$ 1,125.00
<u>Total Fees</u>	= \$ 1,125.00
<u>Less payments</u>	= \$ 00.00
Balance Due NASD Dispute Resolution	= \$ 1,125.00

Case No: 01-05871

Filing Fees

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

Initial claim filing fee	= \$ 300.00
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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 that employed the associated person at the time of the events giving rise to the dispute.

Accordingly, IAC is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00

Fee Summary

1. Claimants are jointly and severally assessed and shall pay:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$ 1,425.00
Refund Due to Claimants from NASD Dispute Resolution	= \$ 1,125.00

2. Respondent IAC is assessed and shall pay:

Member Fees	= \$ 2,100.00
Total Fees	= \$ 2,100.00
Less payments	= \$ 2,100.00
Balance due NASD Dispute Resolution	= \$ 00.00

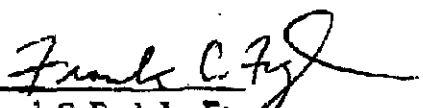
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Frank C. Fogl, Jr., Esq.
Kenneth Patrick McKay, Esq.
Peter Glasser

- Public Arbitrator, Presiding Chairperson
- Public Arbitrator, Panelist
- Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures


Frank C. Fogl, Jr., Esq.
Public Arbitrator, Presiding Chairperson

10/12/04
Signature Date

Kenneth Patrick McKay, Esq.
Public Arbitrator, Panelist

Signature Date

Peter Glasser
Non-Public Arbitrator, Panelist

Signature Date

October 15, 2004
Date of Service (For NASD Dispute Resolution office use only)

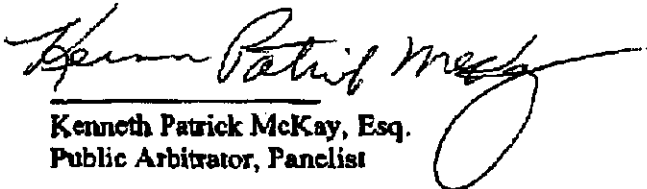
ARBITRATION PANEL

Frank C. Fogl, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Kenneth Patrick McKay, Esq.	-	Public Arbitrator, Panelist
Peter Glasser	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Frank C. Fogl, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Kenneth Patrick McKay, Esq.
Public Arbitrator, Panelist

10/13/04
Signature Date

Peter Glasser
Non-Public Arbitrator, Panelist

Signature Date

October 15, 2004
Date of Service (For NASD Dispute Resolution office use only)

ARBITRATION PANEL

Frank C. Fogl, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Kenneth Patrick McKay, Esq.	-	Public Arbitrator, Panelist
Peter Glasser	-	Non-Public Arbitrator, Panelist


Concurring Arbitrators' Signatures


Frank C. Fogl, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Kenneth Patrick McKay, Esq.
Public Arbitrator, Panelist

Signature Date


Peter Glasser
Non-Public Arbitrator, Panelist


Signature Date



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

EXHIBIT A

NASD Dispute Resolution
No. 01-02082 Master Case

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NAME	COMPENSATORY	PUNITIVE	SANCTIONS	TOTAL
James A. and Betty L. Denman, Trustees of the Denman Family Trust	\$ 953,701.06	\$ 476,850.53	\$ 143,055.16	\$ 1,573,606.75
James A. Denman, IRA	\$ 45,840.75	\$ 22,920.38	\$ 6,876.11	\$ 75,637.24
Betty L. Denman, IRA	\$ 45,514.73	\$ 22,757.37	\$ 6,827.21	\$ 75,099.31
William A. and Mary Anne Denman, Trustees of the William and Mary Anne Denman Trust	\$ 155,847.01	\$ 77,923.50	\$ 23,377.05	\$ 257,147.56
B. Louise DiDay	\$ 19,244.46	\$ 9,622.23	\$ 2,886.67	\$ 31,753.36
Lewis P. and Iris J. Rotz	\$ 15,057.95	\$ 7,528.98	\$ 2,258.69	\$ 24,845.62
Lewis P. Rotz	\$ 9,019.66	\$ 4,509.83	\$ 1,352.95	\$ 14,882.44
Lewis P. Rotz, IRA	\$ 5,337.52	\$ 2,668.76	\$ 800.63	\$ 8,806.91
Mary Ann Caccaro	\$ 16,873.29	\$ 8,436.65	\$ 2,530.99	\$ 27,840.93
Anita Hart	\$ 19,659.34	\$ 9,829.67	\$ 2,948.90	\$ 32,437.91
Virgil and Barbara Mokodean, JNT	\$ 27,308.84	\$ 18,654.42	\$ 4,596.33	\$ 50,559.59
Virgil Mokodean	\$ 90,529.02	\$ 45,264.51	\$ 13,579.35	\$ 149,372.88
Barbara Mokodean	\$ 9,717.42	\$ 4,858.71	\$ 1,457.61	\$ 16,033.74
Elizabeth D. Mylonas	\$ 28,724.91	\$ 14,362.45	\$ 4,308.74	\$ 47,396.10
Douglas A. Oblinger	\$ 97,158.36	\$ 48,579.18	\$ 14,573.75	\$ 160,311.29
Edward J. and Barbara A. Scheetz, JNT	\$ 232,217.04	\$ 116,108.52	\$ 34,832.56	\$ 383,158.12
Gerald J. Scheetz	\$ 219,906.49	\$ 109,953.25	\$ 32,985.97	\$ 362,845.71
Andrew C. and Twylah J. Schmidt, JNT	\$ 18,863.16	\$ 9,431.58	\$ 2,829.47	\$ 31,124.21
Andrew C. Schmidt	\$ 15,055.48	\$ 7,527.74	\$ 2,258.32	\$ 24,841.54
Twylah J. Schmidt	\$ 30,627.12	\$ 15,313.56	\$ 4,594.07	\$ 50,534.75
William H. and Delores M. Lackey, JNT	\$ 274,320.28	\$ 137,160.14	\$ 41,148.04	\$ 452,628.46
Clinton A. and Laura E. Apple	\$ 9,426.74	\$ 4,713.37	\$ 1,414.01	\$ 15,554.12
Clinton A. Apple	\$ 42,220.96	\$ 21,110.48	\$ 6,333.14	\$ 69,664.58
Laura E. Apple	\$ 9,029.86	\$ 4,514.93	\$ 1,354.48	\$ 14,899.27
Christopher Beastro	\$ 55,835.93	\$ 27,917.97	\$ 8,375.39	\$ 92,129.29
Christopher Beastro, IRA	\$ 9,073.77	\$ 4,536.89	\$ 1,361.07	\$ 14,971.73
Blase Brush, Jr. and Laurie J. Brush	\$ 13,414.03	\$ 6,707.02	\$ 2,012.11	\$ 22,133.16

NAME	COMPENSATORY	PUNITIVE	SANCTIONS	TOTAL
Blase Brush, Jr.	\$ 14,644.45	\$ 7,322.23	\$ 2,196.67	\$ 24,163.35
Robert F. and Mary E. Corll	\$ 27,253.36	\$ 13,626.68	\$ 4,088.00	\$ 44,968.04
Gerald A. and Deborah A. Dimoff, JNT	\$ 19,469.37	\$ 9,734.69	\$ 2,920.41	\$ 32,124.47
Windle F. and Wanda Hedger, JNT	\$ 19,145.62	\$ 9,572.81	\$ 2,871.84	\$ 31,590.27
Thomas E. and Irene Micklas, JNT and as Trustees of the				
Thomas E. and Irene Micklas Trust	\$ 94,720.04	\$ 47,360.02	\$ 14,208.01	\$ 156,288.07
James D. and Jean A. Bertolini, JNT and as Trustee of the Bertolini Family Revocable Trust				
Betty L. Bianco	\$ 18,699.40	\$ 9,349.70	\$ 2,804.91	\$ 30,854.01
William L. Helmbrecht	\$ 28,342.62	\$ 14,171.31	\$ 4,251.39	\$ 46,765.32
William L. and Grace O. Helmbrecht, JNT	\$ 7,656.78	\$ 3,828.39	\$ 1,148.52	\$ 12,633.69
Patricia M. Lindsay	\$ 17,980.14	\$ 8,990.07	\$ 2,697.07	\$ 29,667.23
Raymond and Diane Matuz, JNT	\$ 28,262.96	\$ 14,131.48	\$ 4,239.44	\$ 46,633.88
Diane Matuz	\$ 28,021.73	\$ 14,010.87	\$ 4,203.26	\$ 46,235.86
Frank D. and Vianna L. Penezich, JNT	\$ 41,152.03	\$ 20,576.02	\$ 6,172.81	\$ 67,900.86
Edward R. and Karen E. Pomponio, JNT	\$ 18,172.60	\$ 9,086.30	\$ 2,725.89	\$ 29,984.79
Dion E. Pomponio	\$ 27,275.55	\$ 13,637.73	\$ 4,091.33	\$ 45,004.61
Richard L. and Carol L. Pappach, JNT	\$ 7,888.15	\$ 3,944.08	\$ 1,183.22	\$ 13,015.45
Richard L. Pappach	\$ 21,943.34	\$ 10,971.67	\$ 3,291.50	\$ 36,206.51
Martin A. Rathburn	\$ 99,156.81	\$ 49,578.40	\$ 14,873.52	\$ 163,608.73
Sharon J. Rich	\$ 38,345.97	\$ 19,172.99	\$ 5,751.90	\$ 63,270.86
Joseph S. and Helen B. Speziale, JNT	\$ 64,792.00	\$ 32,396.00	\$ 9,718.80	\$ 106,906.80
TOTALS	\$ 45,579.45	\$ 22,789.73	\$ 6,836.92	\$ 75,206.10
	\$ 3,138,027.55	\$ 1,574,013.79	\$ 471,204.13	\$ 5,183,245.47