
**Stipulated Award
NASD Dispute Resolution, Inc.**

In the Matter of the Arbitration Proceeding Between

May Financial Corporation,
Claimant,

Vs.

Development Consulting, Inc.,
Respondent.

Case Number: 01-02204

Hearing Site: Cleveland, Ohio

REPRESENTATION OF THE PARTIES

Claimant May Financial Corporation ("May") was represented by Corbet F. Bryant, Jr., Esquire, of Carrington, Coleman, Sloman & Blumenthal, Dallas, Texas.

Respondent Development Consulting, Inc. ("DCI"), was represented by Donald E. George, Esquire, Akron, Ohio.

CASE INFORMATION

The Statement of Claim was filed on or about April 30, 2001.

The Uniform Submission Agreement, signed by May's Chief Financial Officer, was submitted on or about April 30, 2001.

DCI filed its Answer and Counterclaim on or about June 22, 2001.

The Uniform Submission Agreement, signed by DCI's President, was submitted on or about June 22, 2001.

May filed an Answer to the Counterclaim on or about July 6, 2001.

CASE SUMMARY

May alleged that DCI opened a margin account with Northstar Securities, Inc., which used May as its clearing firm. As a result, DCI executed a written agreement pursuant to which May loaned money for use by DCI in executing securities trades. Adverse market movement resulted in various margin calls on the account. Ultimately, DCI failed to meet a margin call, which resulted in May liquidating the account. After the liquidation was concluded and the proceeds of sales

applied to the outstanding debt of DCI, a deficiency of \$761,718.63 remained. May sought recovery based upon causes of action for breach of contract and money had and received.

In its Answer and Counterclaim, DCI asserted that May did not comply with NASD Guidelines in closing the positions in question and permitted the account to be churned. DCI further asserted that there were various violations of NASD guidelines for minimum margin requirements and that the account should have been liquidated at an earlier date. DCI asserted that its account had an unliquidated \$2,000,000.00 profit position in 2000, and that the loss in equity thereafter resulted from May's failure to enforce NASD margin requirements.

May filed an Answer to the Counterclaim asserting that the broker handling the account was not an employee or otherwise retained on behalf of May and that May had no duty to review the account to determine suitability or to prevent any alleged churning. May further asserted that it properly handled its role concerning DCI's account and did not violate any duty to DCI. May further pointed out that DCI withdrew \$5,000.00 from the account while never depositing any money. As a result, DCI has suffered no damages to date as a result of its trading for which May was the clearing firm.

RELIEF REQUESTED

May requested an award in the amount of \$761,718.63 with pre-judgment and post-judgment interest, attorney's fees, filing fees and forum fees. May also requested that all claims asserted against it in the Counterclaim be dismissed.

DCI requested that all claims against it be dismissed and that it have recovery on its Counterclaim in the amount of \$2,000,000.00 in actual damages and 2,000,000.00 in punitive damages.

OTHER ISSUES CONSIDERED AND DECIDED

Based upon the contents of the file and representations made by counsel for the two parties, the undersigned arbitrators have determined that it has jurisdiction of this matter as both remaining parties have submitted this matter to arbitration and have executed Uniform Submission Agreements. Also, both parties, through communications from their counsel of record, have requested that the arbitrators enter the award set forth below.

The parties further 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) remains on file with NASD Dispute Resolution, Inc. ("NASD-DR").

AWARD

After considering the pleadings and the stipulated request of the parties, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant May Financial Corporation is hereby awarded recovery against Respondent Development Consulting, Inc., in the amount of \$425,000.00 (Four Hundred Twenty-five Thousand Dollars and No Cents) in compensatory damages, plus post-judgment interest at the rate of ten percent (10%) per annum from and after March 1, 2002, until paid.
2. Counterclaimant Development Consulting, Inc., shall take nothing against May Financial Corporation by way of its Counterclaim and all claims asserted in the Counterclaim are denied with prejudice.
3. Unless specified otherwise herein, parties are to bear their own fees and costs.
4. Any and all other relief not addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 1,250.00
Counterclaim filing fee	= \$ 600.00

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. In this matter, the member firm is a party.

Member surcharge	= \$ 2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

Forum Fees and Assessments

The Panel has the authority to assess 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 the full Panel x \$1,200	= \$ 1,200.00
Pre-hearing conference: November 19, 2001 1 session	
Total Forum Fees	= \$ 1,200.00

NASD Dispute Resolution, Inc.

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The Panel has assessed the forum fees incurred in this arbitration as follows: one half (\$600) of the forum fees are assessed to May and one half (\$600) are assessed to DCI.

FEE SUMMARY

May Financial Corporation is solely liable for:

Initial Filing Fee	= \$ 1,250.00
Member Fees	= \$ 7,100.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 8,950.00
Less payments	= \$ 9,550.00
Refund Due from NASD Dispute Resolution, Inc.	= \$ 600.00

Development Consulting, Inc., is solely liable for:

Counterclaim filing fee	= \$ 600.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 0.00
Balance Due to NASD Dispute Resolution, Inc.	= \$ 1,200.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Thomas C. Wagner, Esq.

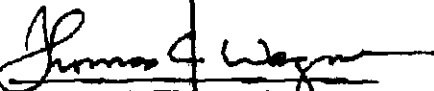
Frank C. Fogl, Jr., Esq.

Henry Ott-Hansen

Public Arbitrator, Chairperson

Public Arbitrator

Non-Public Arbitrator



Thomas C. Wagner, Esq.

Chairperson

4/3/02

Signature Date

Frank C. Fogl, Jr., Esq.

Public Arbitrator

Signature Date

Henry Ott-Hansen

Non-Public Arbitrator

Signature Date

Date of Service

NASD Dispute Resolution, Inc.
 Arbitration Case #: 01-07204
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The Panel has assessed the forum fees incurred in this arbitration as follows: one half (\$600) of the forum fees are assessed to May and one half (\$600) are assessed to DCI.

FEE SUMMARY

May Financial Corporation is solely liable for:

Initial Filing Fee	= \$ 1,250.00
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Forum Fees	= \$ 600.00
Total Fees	= \$ 8,950.00
Less payments	= \$ 9,550.00
Refund Due from NASD Dispute Resolution, Inc.	= \$ 600.00

Development Consulting, Inc. is solely liable for:

Counterclaim filing fee	= \$ 600.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 0.00
Balance Due to NASD Dispute Resolution, Inc.	= \$ 1,200.00

All balances are due to NASD Dispute Resolution, Inc.

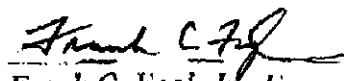
ARBITRATION PANEL

Thomas C. Wagner, Esq.
 Frank C. Fogl, Jr., Esq.
 Henry Ott Hansen

Public Arbitrator, Chairperson
 Public Arbitrator
 Non Public Arbitrator

Thomas C. Wagner, Esq.
 Chairperson

Signature Date


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

March 29, 2002
 Signature Date

Henry Ott Hansen
 Non Public Arbitrator

Signature Date

Date of Service

NASD Dispute Resolution, Inc.

Arbitration Case #: 01-02204

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The Panel has assessed the forum fees incurred in this arbitration as follows: one half (\$600) of the forum fees are assessed to May and one half (\$600) are assessed to DCI.

FREE SUMMARY

May Financial Corporation is solely liable for:

Initial Filing Fee	= \$ 1,250.00
Member Fees	= \$ 7,100.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 8,950.00
Less payments	= \$ 9,550.00
Refund Due from NASD Dispute Resolution, Inc.	= \$ 600.00

Development Consulting, Inc., is solely liable for:

Counterclaim filing fee	= \$ 600.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 1,200.00
Less payments	= \$ 0.00
Balance Due to NASD Dispute Resolution, Inc.	= \$ 1,200.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Thomas C. Wagner, Esq.

Frank C. Fogl, Jr., Esq.

Henry Ott-Hansen

Public Arbitrator, Chairperson

Public Arbitrator

Non-Public Arbitrator

Thomas C. Wagner, Esq.

Chairperson

Signature Date

Frank C. Fogl, Jr., Esq.

Public Arbitrator

Signature Date

Henry Ott-Hansen

Non-Public Arbitrator

Signature Date

Date of Service