

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Thomas D. and Betty J. Hanson, Individually
and as Joint Tenants, Thomas D. Hanson IRA
and Betty J. Hanson IRA

Case No. 01-02979

Names of Respondents

Sterne, Agee & Leach, Inc.
Mark Mathisen

Hearing Site: Little Rock, AR

REPRESENTATION OF PARTIES

For Claimants Thomas D. and Betty J. Hanson, Individually and as Joint Tenants, Thomas D. Hanson IRA, and Betty J. Hanson IRA, hereinafter collectively referred to as "Claimants": Gary P. Barket, Esq., Little Rock, AR.

For Respondents Sterne, Agee & Leach, Inc. ("SAL") and Mark Mathisen ("Mathisen") hereinafter collectively referred to as "Respondents": Richard L. Ramsay, Esq. of Eichenbaum, Liles & Heister, Little Rock, AR.

CASE INFORMATION

Statement of Claim filed on or about: June 5, 2001.

Claimants signed the Uniform Submission Agreement: May 31, 2001.

Statement of Answer filed by Respondents on or about: August 9, 2001.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; breach of fiduciary duty; and, violation of state and federal securities laws. The causes of action relate to the purchase of \$33,750.00 of Armstrong World Industries, Inc. Senior Notes, OUIBS, 7.45 percent.

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 \$20,000.00, loss of opportunity damages of

\$4,000.00, punitive damages, attorneys' fees, and costs.

Respondents requested dismissal of the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Arbitrator on all issues submitted.

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.

AWARD

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

Respondents SAL and Mathisen are liable, jointly and severally, and shall pay to Claimants compensatory damages in the sum of \$11,523.30 plus interest at the rate of 6% per annum accruing from October 1, 2000 until the date of payment of the Award. The compensatory damages are awarded based upon Respondents' breach of fiduciary duty, breach of contract, and violation of Rule IM-23-10, NASD Conduct Rules.

Respondents SAL and Mathisen are liable, jointly and severally, and shall pay to Claimants attorneys' fees in the sum of \$5,000.00 pursuant to Ark. Code Ann. section 16-22-308.

Respondents SAL and Mathisen are liable, jointly and severally, and shall pay to Claimants the sum of \$125.00 representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution, Inc.

Any and all relief requests not specifically addressed herein, including Claimants' request for punitive damages, are denied.

FEES

Pursuant to 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	= \$125.00
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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 is a party.

Member surcharge = \$400.00

Adjournment Fees

Adjournments requested during these proceedings:

No requests for adjournment were filed in this matter.

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:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00 = \$900.00

Pre-hearing conferences: December 31, 2001 1 session

January 3, 2002 1 session

Two (2) Hearing sessions x \$450.00 = \$900.00

Hearing Date: March 18, 2002 2 sessions

Total Forum Fees = \$1,800.00

The Arbitrator has assessed \$600.00 of the forum fees jointly and severally to Claimants.

The Arbitrator has assessed \$1,200.00 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 including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee = \$125.00

Forum Fees = \$600.00

Total Fees = \$725.00

Less payments = \$575.00

Balance Due NASD Dispute Resolution, Inc.	= \$150.00
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Respondent SAL be and hereby is solely liable for:

Member Fees	= \$400.00
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Total Fees	= \$400.00
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Less payments	= \$400.00
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Balance Due NASD Dispute Resolution, Inc.	= \$0.00
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Respondents be and hereby are jointly and severally liable for:

Forum Fees	= \$1,200.00
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Total Fees	= \$1,200.00
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Less payments	= \$0.00
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Balance Due NASD Dispute Resolution, Inc.	= \$1,200.00
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All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Frank S. Hamlin, J.D.

Public Arbitrator, Presiding Chair

Arbitrator's Signature

/s/

Frank S. Hamlin, J.D.
Public Arbitrator, Presiding Chair

Signature Date

April 26, 2002

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

NASD Dispute Resolution, Inc.

Arbitration No. 01-02979

Award Page 4

Balance Due NASD Dispute Resolution, Inc. = \$150.00

Respondent SAL be and hereby is solely liable for:

Member Fees = \$400.00

Total Fees = \$400.00

Less payments = \$400.00

Balance Due NASD Dispute Resolution, Inc. = \$0.00

Respondents be and hereby are jointly and severally liable for:

Forum Fees = \$1,200.00

Total Fees = \$1,200.00

Less payments = \$0.00

Balance Due NASD Dispute Resolution, Inc. = \$1,200.00

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

ARBITRATION PANEL

Frank S. Hamlin, J.D.

Public Arbitrator, Presiding Chair

Arbitrator's Signature

Frank S. Hamlin, J.D.

Public Arbitrator, Presiding Chair

4-26-02

Signature Date

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