

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Johanna P. Anderson IRA, Claimant v. The Retirement Group, Frank A. Cuenca, Timothy C. Sullivan, FSC Securities Corporation, a subsidiary of Financial Service Corporation, Financial Service Corporation, SEI Trust Company, a subsidiary of SEI Investments, SEI Investments Distribution Co., Pershing Division of Donaldson, Lufkin & Jenrette Securities Corporation, aka Donaldson, Lufkin & Jenrette Securities Corporation, Respondents

Case Number: 01-03647

Hearing Site: San Francisco, California

Nature of the Dispute: Customer vs. Members, Non-Members and Associated Persons

REPRESENTATION OF PARTIES

For Claimant:

James Jay Seltzer
Timothy D. Murphy
Law Offices of James Jay Seltzer
Emeryville, California

For Respondents The Retirement Group,
Frank A. Cuenca, Timothy C. Sullivan
and FSC Securities Corporation:

Amir H. Tadjedin
Markun Zusman & Compton LLP
San Francisco, California

CASE INFORMATION

Statement of Claim filed: July 10, 2001

Claimant's Uniform Submission Agreement signed: June 27, 2001

Joint Statement of Answer filed by Respondents Timothy C. Sullivan, FSC Securities Corporation ("FSC"), Frank A. Cuenca, The Retirement Group, Donaldson, Lufkin & Jenrette Securities Corporation, SEI Trust Company and SEI Investments Distribution Co.: January 22, 2002

Respondent FSC's Uniform Submission Agreement signed: November 19, 2001

Respondent Timothy C. Sullivan's Uniform Submission Agreement signed: November 29, 2001

CASE SUMMARY

Claimant alleged the following claims with respect to investments in various securities, including but not limited to investments in various corporate bonds: 1) unsuitability; 2) breach of fiduciary duty; 3) failure to supervise; 4) violation of the Securities and Exchange Act of 1934; 5) violation of the Securities Act of 1933; 6) violation of the NASD Rules of Fair Practice; and 7) violation of NYSE Rule 405.

Respondents SEI Trust Company, a subsidiary of SEI Investments, SEI Investments Distribution Co., and Pershing Division of Donaldson, Lufkin & Jenrette Securities Corporation, aka Donaldson, Lufkin & Jenrette Securities Corporation (DLJ) were dismissed prior to settlement and took no part in it. The Respondents collectively denied all of the claims in the Statement of Claim.

RELIEF REQUESTED

Claimant requested out-of-pocket damages in the amount of \$363,815.90. In addition to this amount, Claimant also requested pre-judgment interest at the California statutory rate of 10%, attorney's fees, costs of suit, \$1,000,000.00 in punitive damages, and such further action deemed just and appropriate.

Respondents requested Claimant take nothing by her Statement of Claim and that an award be entered in favor of Respondents; that Claimant be required to pay all costs incurred in these proceedings including all NASD charges, as well as all costs and attorneys' fees incurred by Respondents; and such other and further relief that the Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Financial Service Corporation did not sign an agreement to arbitrate and was invited to participate in this matter voluntarily. Financial Service Corporation did not voluntarily submit to arbitration and was removed as a party in this matter.

On or about July 11, 2002, Claimant dismissed Respondents DLJ, SEI Trust Company and SEI Investments Distribution Co. as parties in this matter.

Respondent Frank A. Cuenca did not file with NASD Dispute Resolution ("NASD-DR") a properly executed submission to arbitration. The Panel determined that Respondent Frank A. Cuenca is required to submit to arbitration pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and, having answered Claimant's Claim, is bound by the determination of the Panel on all issues submitted.

On February 10, 2005, Claimant and Claimant's counsel signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

On March 11, 2005, The Retirement Group signed a Waiver Agreement expressly waiving any and all rights and benefits under California Civil Code Section 1542 and the California Ethical Standards for Neutral Arbitrators.

Pursuant to the Code of Arbitration Procedure IM-10100 the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

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

STIPULATED DEMAND AND RECOMMENDATION OF EXPUNGEMENT

Claimant represents and warrants that she has instructed her counsel to execute and file a Notice of Dismissal With Prejudice of the NASD Arbitration proceeding Case No. 01-03647, with respect to FSC Securities Corporation, Frank A. Cuenca and Timothy C. Sullivan.

AWARD

In November 2005, the parties entered into a settlement of this matter. The parties further agreed to present to the Panel a Stipulated Award. After considering the preceding Stipulation of the parties, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel notes the parties' stipulation that all claims asserted by the Claimant against Respondents have been resolved.
2. Respondents are dismissed with prejudice pursuant to the settlement agreement entered into by FSC Securities Corporation and the Claimant.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents Frank A. Cuenca's and Timothy C. Sullivan's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondents Frank A. Cuenca and Timothy C. Sullivan must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

4. Each party shall bear its own costs, including attorneys' fees.
5. All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD-DR received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee = \$500.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, DLJ, FSC and SEI Investments Distribution Co. are parties and the following fees are assessed:

DLJ

Member Surcharge	= \$2,500.00
<u>Pre-Hearing Process Fee</u>	= \$ 600.00
Total Member Fees	= \$3,100.00

FSC

Member Surcharge	= \$2,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	= \$4,500.00
Total Member Fees	= \$7,600.00

SEI Investments Distribution Co.

Member Surcharge	= \$2,500.00
<u>Pre-Hearing Process Fee</u>	= \$ 600.00
Total Member Fees	= \$3,100.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

(5) Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$6,000.00
Pre-hearing conferences: August 21, 2002 1 session
July 31, 2003 1 session
May 3, 2004 1 session
April 18, 2006 1 session
May 1, 2006 1 session

(1) Hearing session @ \$1,200.00/session = \$1,200.00
Hearing Date: June 30, 2003 1 session

Total Forum Fees = \$7,200.00

The Panel assessed \$1,800.00 in forum fees to Claimant.

The Panel assessed \$4,200.00 in forum fees jointly and severally to Respondents The Retirement Group, Frank A. Cuenca, Timothy C. Sullivan and FSC.

The Panel waived the \$1,200.00 forum fee in connection with the pre-hearing conference held May 3, 2004.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 1,800.00
Total Fees	= \$ 2,300.00
Less Payments	= \$(1,800.00)
Balance Due NASD-DR	= \$ 500.00

2. Respondent DLJ is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
Less Payments	= \$(3,100.00)
Balance Due NASD-DR	= \$ 0.00

3. Respondent FSC is charged with the following fees and costs:

Member Fees	= \$ 7,600.00
Less Payments	= \$(7,600.00)
Balance Due NASD-DR	= \$ 0.00

4. Respondent SEI Investments Distribution Co. is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
<u>Less Payments</u>	= \$(3,100.00)
Balance Due NASD-DR	= \$ 0.00

5. Respondents The Retirement Group, Frank A. Cuenca, Timothy C. Sullivan and FSC are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 4,200.00
<u>Less Payments</u>	= \$(0.00)
Balance Due NASD-DR	= \$ 4,200.00

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

Parties' Signatures

Dated: _____

James J. Seltzer
Timothy D. Murphy
Law Offices of James Jay Seltzer
Attorneys for Claimant

Dated: _____

Edward S. Zusman
Amir H. Tadjedin
Markun Zusman & Compton LLP
Attorneys for Respondents

4. Respondent SEI Investments Distribution Co. is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
<u>Less Payments</u>	= \$(3,100.00)
Balance Due NASD-DR	= \$ 0.00

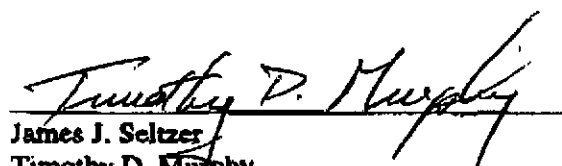
5. Respondents The Retirement Group, Frank A. Cuenca, Timothy C. Sullivan and FSC are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 4,200.00
<u>Less Payments</u>	= \$(0.00)
Balance Due NASD-DR	= \$ 4,200.00

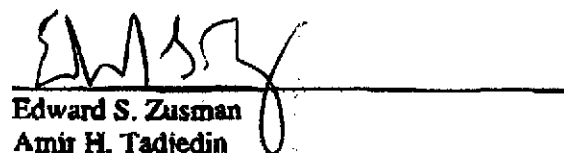
All balances are payable to NASD Dispute Resolution and are payable upon the receipt of the Award pursuant to Rule 10330(g) of the Code.

Parties' Signatures

Dated: 7-6-06


James J. Seltzer
Timothy D. Murphy
Law Offices of James Jay Seltzer
Attorneys for Claimant

Dated: 7-11-06

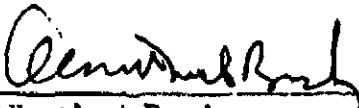

Edward S. Zusman
Amir H. Tadjedin
Markun Zusman & Compton LLP
Attorneys for Respondents

ARBITRATION PANEL

Albert Loeb Boasberg
Paul F. Faberman
Robert A. Jette, Jr., Esq.

- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Non-Public Arbitrator

Concurring Arbitrators' Signatures



Albert Loeb Boasberg
Chair, Public Arbitrator



Signature Date

Paul F. Faberman
Public Arbitrator

Signature Date

Robert A. Jette, Jr., Esq.
Non-Public Arbitrator

Signature Date



Date of Service

ARBITRATION PANEL

Albert Loeb Boasberg	-	Public Arbitrator, Presiding Chair
Paul F. Faberman	-	Public Arbitrator
Robert A. Jette, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Albert Loeb Boasberg
Chair, Public Arbitrator

Paul F. Faberman
Public Arbitrator

Robert A. Jette, Jr., Esq.
Non-Public Arbitrator

Signature Date

July 13, 2006
Signature Date

Signature Date

7/20/06
Date of Service

ARBITRATION PANEL

Albert Loeb Boasberg
Paul F. Faberman
Robert A. Jette, Jr., Esq.

Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

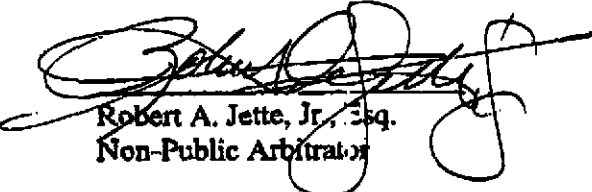
Concurring Arbitrators' Signatures

Albert Loeb Boasberg
Chair, Public Arbitrator

Signature Date

Paul F. Faberman
Public Arbitrator

Signature Date


Robert A. Jette, Jr., Esq.
Non-Public Arbitrator

07-12-06
Signature Date

7/20/06
Date of Service