

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
Ann Matyuf

Case Number: 02-04699

Names of the Respondents
Kenneth R. Cauthorn
Managed Expectations, Inc.
Pin Oak Partners, Inc.
Pankowski Associates, Inc.

Hearing Site: Pittsburgh, PA

Nature of the Dispute: Customer v. Terminated Member, Non-Members and Associated Person

REPRESENTATION OF PARTIES

Claimant, Ann Matyuf, hereinafter referred to as "Claimant", was represented by Robert W. Kramer, Esq., Attorney at Law, Pittsburgh, Pennsylvania.

Respondents, Kenneth R. Cauthorn ("Cauthorn"), Managed Expectations, Inc. ("Managed Expectations"), and Pin Oak Partners, Inc. ("Pin Oak"), were represented by Foster S. Goldman, Jr., Esq., Markel, Schafer & Goldman, P.C., Pittsburgh, Pennsylvania.

Respondent, Pankowski Associates, Inc. ("Pankowski"), was represented by Joseph M. Pankowski, Pankowski Associates, Inc., Pittsburgh, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on August 9, 2002.

Claimant signed the Uniform Submission Agreement on July 29, 2002.

Statement of Answer filed by Cauthorn and Managed Expectations on February 20, 2003. Cauthorn, as an individual and as President of Managed Expectations, executed Uniform Submission Agreements on February 6, 2003.

Statement of Answer filed by Pin Oak on February 13, 2003.

A representative of Pin Oak signed the Uniform Submission Agreement on February 11, 2003.

Pankowski did not file a Statement of Answer nor a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duties; suitability; fraudulent misrepresentations; omissions; churning; negligence; breach of contract; and, unauthorized trading. The causes of action relate to the purchase and sale of various securities.

Unless specifically admitted in their Answer, Cauthorn and Managed Expectations denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief may be granted; Claimant's claims are barred by the doctrines of ratification, waiver, estoppel, and laches; failure to mitigate damages; contributory negligence; Claimant's claims are barred by the applicable statutes of limitations; and, assumption of the risk.

Unless specifically admitted in its Answer, Pin Oak denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief may be granted; Claimant's claims are barred by the doctrines of ratification, waiver, estoppel, and laches; failure to mitigate damages; contributory negligence; Claimant's claims are barred by the applicable statutes of limitations; and, assumption of the risk.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 161,034.00
Punitive Damages	\$ 265,899.00
Interest	\$ 14,250.00
Attorneys' Fees	amount unspecified
Other Costs	amount unspecified

Cauthorn, Managed Expectations and Pin Oak requested that Claimant's claims be dismissed in their entirety and that costs and attorneys' fees be assessed against the Claimant.

AWARD

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

1. Cauthorn and Managed Expectations are jointly and severally liable to and shall pay to Claimant the sum of fifty thousand dollars and no cents (\$50,000.00);
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and,

3. Any and all relief ~~not~~ specifically addressed herein, including punitive damages, is denied in its entirety.

FEES

Pursuant to the Code, the following fees are assessed:

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, Pin Oak is a party.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,750.00

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 24, 2003 1 session	

Two (2) Hearing sessions @ \$ 1,125.00	= \$4,500.00
Hearing Dates: October 14, 2003 2 sessions	
October 15, 2003 2 sessions	

Total Forum Fees	= \$ 5,625.00
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1. The Panel has assessed \$ 2,812.50 of the forum fees to Claimant.
2. The Panel has assessed \$ 2,812.50 of the forum fees jointly and severally to Cauthorn and Managed Expectations.

Fee Summary

1. Claimant is assessed and shall pay:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 2,812.50
Total Fees	= \$ 3,112.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 1,687.50

2. Pin Oak is assessed and shall pay:

Member Fees	= \$ 5,200.00
Total Fees	= \$ 5,200.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 5,200.00

3. Cauthorn and Managed Expectations are jointly and severally assessed and shall pay:

Forum Fees	= \$ 2,812.50
Total Fees	= \$ 2,812.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,812.50

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

ARBITRATION PANEL

Edward A. Grupp, Esq.	-	Public Arbitrator, Presiding Chairperson
Marshall S. Galinsky, Esq.	-	Public Arbitrator, Panelist
Paul R. Meese	-	Non-Public Arbitrator, Panelist

NASD Dispute Resolution
Arbitration No. 02-04699
Award Page 5

Concurring Arbitrators' Signatures



Edward A. Grupp, Esq.
Public Arbitrator, Presiding Chairperson

November 12, 2003
Signature Date

Marshall S. Galinsky, Esq.
Public Arbitrator, Panelist

Signature Date

Paul R. Meese
Non-Public Arbitrator, Panelist

Signature Date

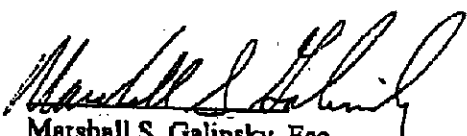
November 13, 2003
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
Arbitration No. 02-04699
Award Page 5

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Edward A. Grupp, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Marshall S. Galinsky, Esq.
Public Arbitrator, Panelist

11/11/03

Signature Date

Paul R. Meese
Non-Public Arbitrator, Panelist

Signature Date

November 13, 2003

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Public Arbitrator, Presiding Chairperson

Signature Date

Marshall S. Galinsky, Esq.
Public Arbitrator, Panelist

Signature Date



Paul R. Meese
Non-Public Arbitrator, Panelist

11/12/03
Signature Date

November 13, 2003
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