

**Amended Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Jack Nelson, as trustee of the Jack Nelson IRA, Cathy Nelson, as trustee of the Cathy Nelson IRA, Cathy Nelson as trustee of the Jack Nelson 99 Charitable Remainder Trust, Jack Nelson and Cathy Nelson, as trustees of the Nelson Family Trust, Claimants v. Self Trading Securities, Inc., John B. Pearson, Eric P. Weschke, and John L. McArdle, Respondents

Case Number: 02-05635

Hearing Site: Las Vegas, Nevada

REPRESENTATION OF PARTIES

For Claimants:	Russell L. Forkey, Esq. Law Office of Russell L. Forkey Fort Lauderdale, Florida
For Respondent Self Trading Securities, Inc.:	John B. Pearson Self Trading Securities, Inc. Austin, Texas
For Respondent John B. Pearson:	John B. Pearson Pro Se Bertram, Texas
For Respondent Eric P. Weschke:	Eric P. Weschke Pro Se Setauket, New York
For Respondent John L. McArdle:	John L. McArdle Pro Se Austin, Texas

CASE INFORMATION

Statement of Claim filed: September 19, 2002

Amended Statement of Claim filed: May 2, 2002

Claimants' Uniform Submission Agreement signed: September 10, 2002

Statement of Answer filed by Respondent John B. Pearson: January 9, 2003

Amended Statement of Answer to Amended Statement of Claim filed by Respondent John B. Pearson: May 19, 2003

Statement of Answer filed by Respondent Eric P. Weschke: December 20, 2002

Respondent Eric P. Weschke's Uniform Submission Agreement signed: November 30, 2002

CASE SUMMARY

In the Initial and Amended Statement of Claim, Claimants alleged fraud, misrepresentation, unsuitability, failure to supervise, and churning involving the purchase and/or sale of various securities.

Respondent Self-Trading Securities, Inc. did not file a Statement of Answer to the Initial or Amended Statement of Claim.

Respondents John B. Pearson and Eric P. Weschke denied the allegations of wrongdoing set forth in the Claimants' Initial and Amended Statement of Claim.

Respondent John L. McArdle did not file a Statement of Answer to the Initial or Amended Statement of Claim.

RELIEF REQUESTED

In the Initial and Amended Statement of Claim, Claimants requested actual damages in the amount of \$450,000.00, punitive damages in the amount of \$50,000.00, interest, attorney's fees, and arbitration costs.

Respondent John B. Pearson requested dismissal of the Initial and Amended Statements of Claim in their entirety.

Respondent Eric P. Weschke requested dismissal of the Initial and Amended Statements of Claim in their entirety and that all forum fees be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Initial Award:

On January 22, 2002, Claimants requested that the hearing take place in Las Vegas, Nevada.

On June 13, 2003, the Panel granted Claimants' Motion to Amend the Statement of Claim to add John L. McArdle as a Respondent.

At the hearing, Claimants settled with Respondent Eric P. Weschke.

Upon review of the file and the representations made on behalf of the Claimants, the undersigned Panel determined that Respondents Self-Trading Securities, Inc. and John L. McArdle were properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents Self-Trading Securities, Inc. and John L. McArdle did not file with NASD Dispute Resolution properly executed submission agreements but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

Respondent John B. Pearson did not file with NASD Dispute Resolution a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and having answered the claim, is bound by the determination of the Panel on all issues submitted.

Amended Award:

On September 26, 2003, Respondent John L. McArdle filed a Petition to Vacate Arbitration Award with the District Court of Travis County, Texas. On June 6, 2005, the court issued an Order of Remand, which stated:

"1. The parties, at their election, may take the deposition of John Pearson. The Defendants, at their election, may take the deposition of Plaintiff. Both of said depositions shall be taken in accordance with the applicable Federal Rules of Civil Procedure. Further, the parties may request the production of relevant documents concerning issues in the underlying arbitration matter from the deponents and from the record custodian for Self-Trading Securities, Inc.

2. The subject arbitration award be and the same is hereby remanded to the Panel of original Arbitrators to reconsider the issue of NASD jurisdiction over John McArdle and the Panel's finding of liability against John McArdle based upon additional evidence to be submitted by the parties hereto, if any, and the further deposition testimony of Mr. Pearson.

3. The court shall retain jurisdiction of the parties and the subject matter for the sole purpose to confirm and/or review the final arbitration award in accordance with the provisions of the Federal Arbitration Act."

On November 28, 2005, Respondent John L. McArdle filed with NASD a Special Appearance to Present Motion Objecting to Jurisdiction. On December 12, 2005, Claimants filed a Response to Motion Objecting to Jurisdiction. Claimants, Respondent John L. McArdle, and the Panel participated in a pre-hearing conference on January 9, 2006, during which the Panel heard oral argument regarding the motion and denied the motion. The parties and the Panel also scheduled additional July 2006 evidentiary hearing dates during this pre-hearing conference in order to comply with the court's Order of Remand.

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

Initial Award:

- 1) Respondent John L. McArdle is liable to and shall pay Claimants Jack Nelson, as trustee of the Jack Nelson IRA, Cathy Nelson, as trustee of the Cathy Nelson IRA, Cathy Nelson as trustee of the Jack Nelson 99 Charitable Remainder Trust, Jack Nelson and Cathy Nelson, as trustees of the Nelson Family Trust \$175,000.00 in compensatory damages.

- 2) Respondent John B. Pearson is dismissed with prejudice.
- 3) Respondent Self-Trading Securities, Inc. is dismissed without prejudice.
- 4) The parties shall bear their respective costs, including attorney's fees.
- 5) All other relief requested and not expressly granted is denied.

Amended Award:

- 6) The Panel has determined that NASD Dispute Resolution has jurisdiction over Respondent John L. McArdle.
- 7) The Panel re-affirms its finding of liability with respect to Respondent John L. McArdle as stated in paragraph 1 of the initial Award.
- 8) The parties shall bear their respective costs, including attorney's fees.
- 9) All other relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
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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, the terminated member firm Self Trading Securities Inc. is a party, and the following fees are assessed:

Member Surcharge	= \$ 1,700.00
Total Member Fees	= \$ 1,700.00

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:

Initial Award:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,125.00/session	= \$ 2,250.00
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Pre-hearing conferences:	April 22, 2003	1 session	
	June 30, 2003	1 session	
Three (3) Hearing sessions @ \$1,125.00/session			= \$ 3,375.00
Hearings:	August 6, 2003	2 sessions	
	August 7, 2003	1 session	
Total Forum Fees			= \$ 5,625.00

1. The Panel assessed \$2,812.50 of the forum fees jointly and severally to Claimants Jack Nelson, as trustee of the Jack Nelson IRA, Cathy Nelson, as trustee of the Cathy Nelson IRA, Cathy Nelson as trustee of the Jack Nelson 99 Charitable Remainder Trust, Jack Nelson and Cathy Nelson, as trustees of the Nelson Family Trust.
2. The Panel assessed \$2,812.50 of the forum fees to Respondent Eric P. Weschke.

Amended Award:

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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 conference session with the Panel		
@ \$1,125.00/session		= \$1,125.00
Pre-hearing conference:	January 9, 2006	
One (1) decision on a discovery-related motion on the papers		
with one (1) arbitrator @ \$200.00		= \$ 200.00
Claimant submitted (1) one discovery-related motion		
One (1) hearing session @ \$1,125.00/session		= \$1,125.00
Hearing:	July 17, 2006	
Total Forum Fees		= \$2,450.00

The Panel assessed \$2,450.00 of the forum fees to Respondent John L. McArdle.

Administrative Costs

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and sundry other requests.

Claimants requested four (4) copies of audio tapes @ \$15.00 each	= \$60.00
Respondent John L. McArdle requested four (4) copies of audio tapes @ \$15.00 each	= \$60.00

Fee Summary

Initial Award:

1. Claimants Jack Nelson, as trustee of the Jack Nelson IRA, Cathy Nelson, as trustee of the Cathy Nelson IRA, Cathy Nelson as trustee of the Jack Nelson 99 Charitable Remainder Trust, Jack Nelson and Cathy Nelson, as trustees of the Nelson Family Trust are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 2,812.50
Administrative Cost	= \$ 60.00
Total Fees	= \$ 3,172.50
Less payments	= \$(3,172.50)
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent Self-Trading is charged with the following fees and costs:

Member Fees	= \$1,700.00
Balance Due NASD Dispute Resolution	= \$1,700.00

3. Respondent Eric P. Weschke is charged with the following fees and costs:

Forum Fees	= \$ 2,812.50
Less Payments	= \$(2,812.50)
Balance Due NASD Dispute Resolution	= \$ 0.00

Amended Award:

- Respondent John L. McArdle is charged with the following fees and costs:

Forum Fees	= \$2,450.00
Administrative Cost	= \$ 60.00
Total Fees	= \$2,510.00
Less Payments	= \$ (60.00)
Balance Due NASD Dispute Resolution	= \$2,450.00

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

ARBITRATION PANEL

Steven K. Lum	-	Public Arbitrator, Presiding Chair
Bernard Gross	-	Public Arbitrator
Gary L. Freeman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Steven K. Lum
Chair, Public Arbitrator

7/17/06
Signature Date

Bernard Gross
Public Arbitrator

Signature Date

Gary L. Freeman
Non-Public Arbitrator

Signature Date

7/21/06
Date of Service

ARBITRATION PANEL

Steven K. Lum	-	Public Arbitrator, Presiding Chair
Bernard Gross	-	Public Arbitrator
Gary L. Freeman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steven K. Lum
Chair, Public Arbitrator

Signature Date

Bernard Gross
Public Arbitrator

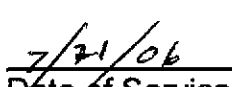
Signature Date



Gary L. Freeman
Non-Public Arbitrator



Signature Date



Date of Service

ARBITRATION PANEL

Steven K. Lum	-	Public Arbitrator, Presiding Chair
Bernard Gross	-	Public Arbitrator
Gary L. Freeman	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Steven K. Lum
Chair, Public Arbitrator

Signature Date

Bernard Gross

Bernard Gross
Public Arbitrator

Bernard Gross July 19, 2006

Signature Date

Gary L. Freeman
Non-Public Arbitrator

Signature Date

July 26, 2006
Date of Service