
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Wendy McGhee

Case Number: 02-06187

Names of the Respondents
Malachi Holdings, Inc.
Corey Fuller

Hearing Site: Atlanta, Georgia

REPRESENTATION OF PARTIES

Wendy McGhee, hereinafter referred to as "Claimant", appeared pro se.

For Respondent, Malachi Holdings, Inc. ("Malachi"): Thomas Diggs, Jr., Managing Director, Compliance, The Malachi Group, Inc., Atlanta, Georgia.

Respondent Corey Fuller ("Fuller") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: October 16, 2002.

Claimant signed the Uniform Submission Agreement: October 9, 2002.

Statement of Answer filed by Respondent Malachi on or about: December 17, 2002.

Statement of Answer filed by Respondent Fuller on or about: February 7, 2003.

Respondent Malachi signed the Uniform Submission Agreement: December 16, 2002.

Respondent Fuller did not file an executed Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: negligence; failure to supervise; breach of fiduciary duty; misrepresentation; manipulation; and omission of facts. The causes of action relate to a bond purchase solicited by Respondent Fuller.

Unless specifically admitted in its Answer, Respondent Malachi denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Respondent Fuller denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of \$5,000.00, punitive damages of \$45,000.00 from Respondent Malachi and punitive damages of \$50,000.00 from Respondent Fuller, costs and reimbursement of fees incurred in the filing of this arbitration proceeding.

Respondent Malachi requested dismissal of the Statement of Claim in its entirety, dismissal of the compensatory and punitive damage claims in their entirety, costs, filing fees, attorneys' fees, and such other relief as the Panel deems proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Fuller did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to NASD Code of Arbitration Procedure (the "Code"), and having answered the claim and having appeared and testified at the evidentiary hearing, is bound by the determination of the Panel on all issues submitted.

At the beginning of the evidentiary hearing, on or about August 5, 2003, Respondent Malachi made an ore tenus motion for judgment on the pleadings. The Panel denied Respondent Malachi's motion.

During an early recess, Claimant and Respondent Fuller entered into a settlement agreement.

During the evidentiary hearing, on or about August 5, 2003, Respondent Malachi made an ore tenus motion for judgment at the conclusion of Claimant's evidence. The Panel granted Respondent Malachi's motion.

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

1. Claimant and Respondent Fuller's settlement agreement pursuant to which Respondent Fuller shall pay Claimant \$15,000.00, is hereby ordered to be paid within two years of the date of this Award.
2. Respondent Malachi's requests are denied in their entirety.
3. Each party shall bear their respective costs and fees.
4. Any and all claims for relief not specifically addressed herein, including Claimant's request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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 = \$ 225.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Malachi is a party.

Member surcharge = \$1,100.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$1,700.00

Total Member fees = \$3,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$750.00 = \$ 750.00

Pre-hearing conference: April 7, 2003 1 session

Two (2) Hearing sessions @ \$750.00 = \$1,500.00

Hearing Date: August 5, 2003 2 sessions

Total Forum Fees = \$2,250.00

1. The Panel assessed \$1,125.00 of the forum fees to Claimant.
2. The Panel assessed \$1,125.00 of the forum fees to Respondents Malachi and Fuller, jointly and severally.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

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No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$1,125.00
Total Fees	= \$1,350.00
Less Payments	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$ 375.00

Respondent Malachi is solely liable for:

Member Fees	= \$3,550.00
Total Fees	= \$3,550.00
Less Payments	= \$3,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents Malachi and Fuller are jointly and severally liable for:

Forum Fees	= \$1,125.00
Total Fees	= \$1,125.00
Less Payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,125.00

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

ARBITRATION PANEL

<i>Hugh O. Brock, III, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Benjamin F. Richards, Jr.</i>	-	<i>Public Arbitrator</i>
<i>Frank Warren Moore, II</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/ _____
Hugh O. Brock, III, Esq.
Public Arbitrator, Presiding Chairperson

08/27/03
Signature Date

/s/ _____
Benjamin F. Richards, Jr.
Public Arbitrator

08/27/03
Signature Date

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/s/
Frank Warren Moore, II
Non-Public Arbitrator

08/26/03
Signature Date

08/28/03
Date of Service (For NASD Dispute Resolution office use only)

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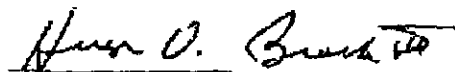
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Benjamin F. Richards, Jr.	-	Public Arbitrator
Frank Warren Moore, II	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Hugh O. Brock, III, Esq.
Public Arbitrator, Presiding Chairperson

8/27/03
Signature Date


Benjamin F. Richards, Jr.
Public Arbitrator

Signature Date

NASD Dispute Resolution

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Benjamin F. Richards, Jr.

Frank Warren Moore, II

Public Arbitrator, Presiding Chairperson

Public Arbitrator

Non-Public Arbitrator

Concurring Arbitrators' Signatures

Hugh O. Brock, III, Esq.

Public Arbitrator, Presiding Chairperson

Signature Date

Benjamin F. Richards, Jr.

Benjamin F. Richards, Jr.

Public Arbitrator

27 August 2003

Signature Date

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Frank Warren Moore, II
Non-Public Arbitrator

26 August 2003
Signature Date

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