

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimant

Jeanne Bearmon

v.

03-01138

Minneapolis, Minnesota

Respondents

Financial Network Investment Corporation,
Thomas W. Taylor, and Lifelong Financial Services Corporation

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

REPRESENTATION OF PARTIES

Jeanne Bearmon ("**Claimant**") was represented by Vincent D. Louwagie, Esq., Anthony Ostlund & Baer, P.A., Minneapolis, Minnesota.

Financial Network Investment Corporation ("**FNIC**"), Thomas W. Taylor ("**Taylor**"), and Lifelong Financial Services Corporation ("**Lifelong Financial**"), hereinafter referred to as ("**Respondents**"), were represented by Julie H. Firestone, Esq., of Briggs & Morgan, Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about February 18, 2003. Submission Agreement of Claimant was signed on or about December 13, 2002.

A Joint Statement of Answer was filed by Respondents Financial Network Investment Corporation, Thomas W. Taylor, and Lifelong Financial Services Corporation on or about April 22, 2003. Submission Agreement of Respondent Financial Network Investment Corporation was signed on or about April 17, 2003. Submission Agreement of Respondent Thomas W. Taylor was signed on or about April 17, 2003. Submission Agreement of Respondent Lifelong Financial Services Corporation was signed on or about April 17, 2003.

CASE SUMMARY

Claimant asserted causes of action including the following: violation of Minnesota securities laws, negligence, vicarious liability, negligent supervision, consumer fraud, and breach of fiduciary duty. The causes of action related to Claimant's allegation that Respondent Taylor recommended an investment strategy consisting of unspecified aggressive mutual funds, which according to Claimant,

were unsuitable given her financial goals. Claimant further asserted that FNIC failed to adequately supervise Taylor.

Respondents denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: Claimant failed to state a claim upon which relief can be granted; any damages or injuries alleged to have been suffered by Claimant were not the result of any acts or omission by Respondents; Claimant's claims are barred, in whole or in part, by the applicable statute of limitations; Respondents did not act with any intent to defraud Claimant or with any willful disregard for her or her rights; Claimant's claims are barred, in whole or in part, by the equitable doctrines of estoppel, waiver, laches, ratification and/or unclean hands; and Claimant failed and neglected to use reasonable care to minimize her losses, injuries, and damages.

RELIEF REQUESTED

Claimant requested an award of unspecified damages, plus, costs, attorney's fees, interest, punitive damages, and any other relief that the panel deemed just and equitable.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees. In addition, Respondents requested that this matter be expunged from Respondent Thomas W. Taylor's permanent registration records maintained by the Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED & DECIDED

Prior to the hearing, the parties fully and finally settled all claims by and between them and will be withdrawn. As part of their settlement agreement, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings and the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators orders as follows:

1. Claimant's claims having been withdrawn, are hereby dismissed with prejudice in their entirety;

2. The panel recommends the expungement of all reference to the above captioned arbitration from Respondent Thomas W. Taylor's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Thomas W. Taylor must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
3. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys' fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 250

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. In this matter, the member firm is Financial Network Investment Corporation.

Member surcharge	= \$ 1,500
Pre-hearing process fee	= \$ 750
Hearing process fee	= \$ 2,200

Forum Fees and Assessments

The Arbitration Panel assesses 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:

One (1) Pre-hearing session with Panel x \$ 1,000 = \$ 1,000

Pre-hearing conference: 08/26/2003 1 session

Total Forum Fees = \$ 1,000

The Arbitration Panel has assessed \$ 500 of the forum fees to Jeanne Bearmon

The Arbitration Panel has assessed \$ 500 of the forum fees jointly and severally to Financial Network Investment Corporation, Thomas W. Taylor and Lifelong Financial Services Corporation.

Pursuant to Rule 10332(g) of NASD Code of Arbitration Procedures: *Any matter submitted and thereafter settled or withdrawn subsequent to the commencement of the first hearing session, including a pre-hearing conference with an arbitrator, shall be subject to an assessment of forum fees and costs incurred pursuant to Rules 10319, 10321, 10322, and 10326 based on hearing sessions held and scheduled within eight business days after the Association receives notice that the matter has been settled or withdrawn. The arbitrator(s) shall determine by whom such forum fees and costs shall be borne.* As NASD Dispute Resolution received notice of the settlement within eight business days of the first scheduled hearing, \$ 500 of the Claimant's remaining hearing session deposit is retained.

Fee Summary

Claimant, Jeanne Bearmon is liable for:

<u>Initial Filing Fee</u>	= \$ 250
<u>Forum Fees</u>	= \$ 500
<u>Hearing Session Deposit Retained</u>	= \$ 500
<u>Total Fees</u>	= \$ 1,250
<u>Less payments</u>	= \$ 1,425
<u>Balance Refunded By NASD Dispute Resolution</u>	= \$ 175

Respondent, Financial Network Investment Corporation, is liable for:

<u>Member Fees</u>	= \$ 4,550
<u>Total Fees</u>	= \$ 4,550
<u>Less payments</u>	= \$ 4,550
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0

Respondents, Financial Network Investment Corporation, Thomas W. Taylor and Lifelong Financial Services Corporation are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 500
<u>Total Fees</u>	= \$ 500
<u>Less payments</u>	= \$ 0
<u>Balance Due NASD Dispute Resolution</u>	= \$ 500

NASD Dispute Resolution
Arbitration No. 03-01138
Award Page 5 of 5

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

ARBITRATION PANEL

D. Randall Blohm, Esq. - Public Arbitrator, Presiding Chair
Steven E. Reichert, Esq. - Public Arbitrator
Lee T. Beske- Non-Public Arbitrator

Concurring Arbitrators:

D. Randall Blohm, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Steven E. Reichert, Esq.
Public Arbitrator

Signature Date

Lee T. Beske
Non-Public Arbitrator

Signature Date

6/7/04
Date of Service (NASD use only)

NASD Dispute Resolution
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Award Page 5 of 5

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Public Arbitrator, Presiding Chair



Steven E. Reichert, Esq.
Public Arbitrator

Signature Date

5-26-04

Signature Date

Lee T. Beske
Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution
Arbitration No. 03-01148
Award Page 5 of 5

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ARBITRATION PANEL

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Steven E. Reichert, Esq. - Public Arbitrator
Lee T. Beske - Non-Public Arbitrator

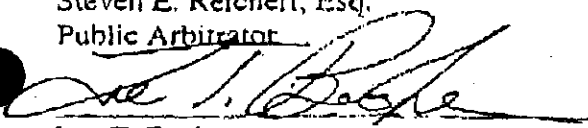
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Signature Date

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Public Arbitrator

Signature Date



Lee T. Beske
Non-Public Arbitrator

5-26-04

Signature Date

6/7/04

Date of Service (NASD use only)