

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Ernest Friedman v. Delta Asset Management Company, L.L.C., Penson Financial Services, Inc.,
Ronald D. Armitage and Mario Rodriguez (a/k/a Mario Casais)

Case Number: 03-01261

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Timothy N. Will, Esq.
Albert & Will, LLP
Torrance, California

For Respondents:

Delta Asset Management Company, LLC

Ruthann G. Niosi, Esq..
Law Offices of Ruthann G. Niosi, Esq.
New York, New York
(originally Ronald J. Brescia, Esq., Garden
City, NY who was substituted out)

Penson Financial Services, Inc.

Will S. Montgomery, Esq.
Jenkins & Gilchrist
Dallas, Texas

Ronald D. Armitage

Peter A. Perlman, Esq.
Littman Krooks LLP
New York, New York

Mario Rodriguez

Marc S. Gottlieb, Esq.
Law Offices of Marc Gottlieb
New York, New York

CASE INFORMATION

Statement of Claim filed: February 19, 2003

Claimant's Uniform Submission Agreement received: March 11, 2003

Statement of Answer filed by Respondent Delta Asset Management Company, LLC: May 1,

2003

Respondent Delta Asset Management Company, LLC's Uniform Submission Agreement signed: April 28, 2003

Statement of Answer filed by Respondent Penson Financial Services, Inc.: April 30, 2003

Respondent Penson Financial Services, Inc.'s Uniform Submission Agreement signed: April 28, 2003

Statement of Answer filed by Respondents Ronald D. Armitage and Mario Rodriguez: May 16, 2003

CASE SUMMARY

Claimant alleged breach of fiduciary duty, misrepresentation, negligence, negligent supervision, California Corporation Code violations, federal securities laws violations, and violation of the Unfair Business Practices Statute (Business and Professions Code § 17200 et Seq.) relating to securities of Syndicated Food Service International (formally known as Floridinos International), Knight Trading Group, Inc. Rambis, Inc., Cisco Systems, Inc., Canterbury Consulting Group (formally known as Canterbury Information Technology, Inc.), E-Machinery Net, Inc. and Elite Brands International.

Respondents denied the allegations of wrongdoing set forth in the Claimant Statement of Claim and asserted affirmative defenses.

RELIEF REQUESTED

Claimants requested \$1,900,000.00 in compensatory damages, pre-judgment interest at a rate of 10% per year from December 2001 through the date of payment of compensatory damages, and costs, including attorneys' fees.

Respondents requested dismissal of the Claimants' Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On February 19, 2003, Claimant and Claimant's counsel submitted 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 May 29, 2003, Claimant dismissed without prejudice Respondent Penson Financial Services, Inc. in reliance upon a tolling agreement.

On June 4, 2003, Marc S. Gottlieb, Esq., then counsel for Respondents Delta Asset Management Company, L.L.C., Ronald D. Armitage and Mario Rodriguez, 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 October 9, 2003, the Panel denied Respondent Delta Asset Management Company, LLC's Motion to Dismiss.

On January 27, 2004, the Panel determined that Delta Asset Holding Company, an unnamed party to the arbitration, has properly executed a submission agreement dated January 26, 2004 for the purposes of this Stipulated Award, has executed the Stipulated Award and is bound by the determination of the Panel on this Stipulated Award.

On January 27, 2004, the Panel determined the assessment of NASD forum and adjournment fees in accordance with Rule 10332 of the Code of Arbitration ("the Code"). The parties did not stipulate to the Panel's assessment of NASD fees.

On January 27, 2004, the Panel dismissed without prejudice Respondents Ronald D. Armitage and Mario Rodriguez. Respondents Ronald D. Armitage and Mario Rodriguez did not appear at the hearing.

Respondents Ronald D. Armitage and Mario Rodriguez did not file with NASD Dispute Resolution a properly executed submission agreement but are required to submit to arbitration pursuant to the Code and having answered the claim are bound by the determination of the Panel on all issues submitted.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

Claimant Ernest Friedman, Respondent Delta Asset Management Company, L.L.C., and non-party Delta Asset Holding Company have entered into a confidential settlement agreement.

After considering the pleadings and the request for this stipulated award, the Panel decided in full and final resolution of the issues submitted for determination as follows:

IT IS AGREED by and between Claimant and Delta Asset Management Company, LLC and Delta Asset Holding Co. and **IT IS HEREBY ORDERED BY THE PANEL** that this Stipulated Award shall be entered in favor of Claimant and against Delta Asset Management Company, LLC and Delta Asset Holding Co., in accordance with the confidential Letter Agreement dated January 23, 2004, said agreement being signed by Delta Asset Management

Company, LLC, Delta Asset Holding Co., Claimant, and the Panel.

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 = \$ 500.00

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 persons at the time of the events giving rise to the dispute. In this matter, the member firms Delta Asset Management Company, LLC and Penson Financial Services, Inc. are parties.

Delta Asset Management Company, LLC

Member Surcharge	= \$2,800.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Penson Financial Services, Inc.

Member Surcharge	= \$2,800.00
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Adjournment Fees

The following adjournment fees are assessed:

November 17 - 20, 2003 adjournment requested by Respondent Delta Asset Management Company, LLC	= \$ 1,200.00
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January 26, 2004 adjournment assessed jointly and severally to Respondents Ronald D. Armitage and Mario Rodriguez	= \$ 1,200.00
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Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

(1) Pre-hearing conference session with the Chair @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: October 13, 2003 1 session	

(2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$ 2,400.00
Pre-hearing conference: August 26, 2003 1 session	
October 9, 2003 1 session	
(2) Hearing session @ \$1,200.00/session	= \$ 2,400.00
Hearings: January 27, 2004 2 sessions	
Total Forum Fees	= \$ 5,250.00

The Panel assessed \$5,250.00 of the forum fees jointly and severally against Respondents Ronald D. Armitage and Mario Rodriguez.

Fee Summary

1. Claimant Ernest Friedman is charged with the following fees:

Initial Filing Fee	= \$ 500.00
<u>Less payments</u>	= \$(1,700.00)
Refund due Claimant	= \$(1,200.00)
2. Respondent Delta Asset Management Company LLC is charged with the following fees:

Member Fees	= \$ 8,550.00
<u>Adjournment Fee</u>	= \$ 1,200.00
Total Fees	= \$ 9,750.00
<u>Less payments</u>	= \$(8,550.00)
Balance Due NASD Dispute Resolution	= \$ 1,200.00
3. Respondent Penson Financial Services, Inc. is charged with the following fees:

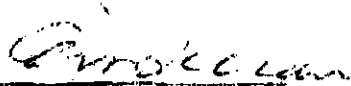
Member Fees	= \$ 2,800.00
<u>Less payments</u>	= \$(2,800.00)
Balance Due NASD Dispute Resolution	= \$ 0.00
4. Respondents Ronald D. Armitage and Mario Rodriguez are jointly and severally charged with the following fees:

Forum Fees:	= \$ 5,250.00
<u>Adjournment Fee</u>	= \$ 1,200.00
<u>Less payments</u>	= \$ (0.00)
Balance Due NASD Dispute Resolution	= \$ 6,450.00

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.

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Parties' Signatures


Ernest J. Friedman
Claimant

7/26/04
Signature Date

Delta Asset Management Company, LLC
Respondent

Signature Date

Delta Asset Holding Co.
Respondent

Signature Date

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Parties' Signatures

Ernest J. Friedman
Claimant

Signature Date



Delta Asset Management Company, LLC
Respondent

1/27/04
Signature Date

Bernie Schmitt
Delta Asset Holding Co.
Respondent

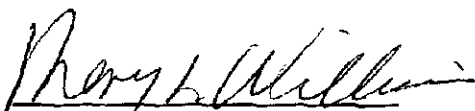
4/27/04
Signature Date

ARBITRATION PANEL

Mary L. Williams, Esq.
Antonia D. DeRosa
Jeffrey E. Skogsbergh

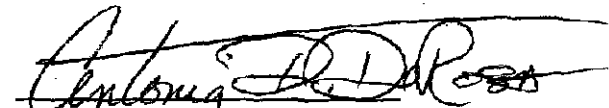
- Public Arbitrator, Presiding Chair
- Public Arbitrator
- Industry Arbitrator

Concurring Arbitrators' Signatures



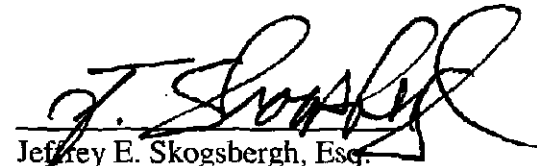
Mary L. Williams, Esq.
Public Arbitrator, Presiding Chair

1/27/2004
Signature Date



Antonia D. DeRosa
Industry Arbitrator

1/27/04
Signature Date



Jeffrey E. Skogsbergh, Esq.
Industry Arbitrator

1/27/04
Signature Date

1/27/04
Date of Service