

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Names of Claimants

Constance and Cynthia Nigro, individually
and as Trustees of various family trusts

Case Number: 03-02522

Names of Respondents

The Barry Financial Group, Inc.
Asset Management Securities Corp.
James M. Barry
James A. Barry, Jr.

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For Constance and Cynthia Nigro, individually and as Trustee of various family trusts, hereinafter collectively referred to as "Claimants": Scott J. Link, Esq., Ackerman Link Sartory, West Palm Beach, Florida.

For Respondents The Barry Financial Group, Inc. ("Barry Financial"), Asset Management Securities Corp. ("Asset Management"), James M. Barry ("Barry") and James A. Barry, Jr. ("Barry, Jr."), hereinafter collectively referred to as "Respondents": Allan M Lerner, Esq., Allan M. Lerner, P.A., Ft. Lauderdale, Florida and Lloyd R. Schwed, Esq., Schwed Patten Kahle, LLC, Palm Beach Gardens, Florida.

CASE INFORMATION

Statement of Claim filed on or about: April 4, 2003.

Claimants signed the Uniform Submission Agreements: January 23, 2003.

Motion to Dismiss or in the Alternative for a More Definitive Statement, Answer and Affirmative Defenses filed by Respondents on or about: August 18, 2003.

Respondent Barry Financial signed the Uniform Submission Agreement: August 15, 2003.

Respondent Asset Management signed the Uniform Submission Agreement: August 15, 2003.

Respondent Barry signed the Uniform Submission Agreement: August 15, 2003.

Respondent Barry, Jr. signed the Uniform Submission Agreement: August 15, 2003.

Counterclaim filed by Respondents on or about: August 29, 2003.

Claimants' Reply to Respondents' Motion to Dismiss, Motion for More Definitive Statement, Answer and Affirmative Defenses; Claimants' Motion to Bar Respondents from Presenting Facts or Defenses at the Hearing; and, Claimants' Motion to Strike Affirmative Defenses filed on or about: September 9, 2003.

Answer to Counterclaim filed by Claimants on or about: September 19, 2003.

Respondents' Motion to Dismiss, with Prejudice Claims, Under Chapter 517 of the Florida Statutes filed on or about: February 23, 2006.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; breach of contract; negligence; unsuitability; disgorgement of commissions and fees; negligent supervision; and, violation of Section 527.301 of the Florida Statutes. The causes of action relate Claimants' purchase of the following life insurance policies and mutual funds: Hartford Variable Universal Life, Pacific Mutual Life, Security Life of Denver, Provident Mutual Variable Universal Life, Penn Mutual Variable Universal Life, AIM Value Fund, Delaware Decature Fund and Nationwide Exclusive.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses. In addition, Respondents filed a Counterclaim for defamation and malicious prosecution wherein Respondents asserted that Claimants ratified and acquiesced in the life insurance transactions and failed to mitigate their losses.

RELIEF REQUESTED

Claimants requested compensatory damages in excess of \$500,000.00, interest, costs, attorneys' fees pursuant to Section 517.211 of the Florida Statutes and such other relief as the Panel deemed fair and appropriate.

In their Answer, Respondents requested dismissal of the Statement of Claim in its entirety and that the Panel award to them attorneys' fees and costs pursuant to the authority of the Panel and the applicable provisions of Chapter 517 of the Florida Statutes. In their Counterclaim, Respondents requested damages through loss of income, attorneys' fees and costs in excess of \$100,000.00 and punitive damages in excess of \$500,000.00.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Barry Financial is not a member firm of NASD. Respondent Barry Financial filed with NASD a properly executed submission to arbitration and an answer and as such, voluntarily submitted to the jurisdiction of NASD and is bound by the determination of the undersigned arbitrators (the "Panel") on all issues submitted.

On or about August 18, 2003, Respondents filed a Motion to Dismiss or in the Alternative for a More Definitive Statement, Answer and Affirmative Defenses wherein Respondents alleged that the Statement of Claim fails to apprise Respondents of facts and circumstances upon which Claimants rely in order to establish any claim for relief

and Claimants should be required to set forth facts which support their claims, or have such claims dismissed. In their response, Claimants asserted that under NASD Rules, an arbitration hearing is the stated procedure for addressing factual issues, and there is no provision in those Rules that allows for granting of a Motion to Dismiss on substantive grounds. Claimants further asserted that NASD Rule 10314(a) requires only that the Statement of Claim specify the relevant facts and remedies sought. On or about May 14, 2004, the Panel issued an Order granting in part and denying in part Respondents' motion. The Panel ruled that Claimants need not amend the Statement of Claim as to the specific securities or investment recommendations already alleged in the Statement of Claim. However, if Claimants wished to present evidence at the final hearing relating to any additional specific securities or investment recommendations, Claimants must notify Respondents of those additional specific securities or investment recommendations in writing within sixty (60) days of said Order.

On or about May 1, 2006, the parties advised NASD Dispute Resolution ("NASD") that they had settled this matter and would be submitting a proposed Stipulated Award. On or about May 15, 2006, the parties filed with NASD a proposed Stipulated Award for the Panel's consideration.

On or about May 23, 2006, the parties filed with NASD a Stipulation of Dismissal of Counterclaim with prejudice.

On or about June 6, 2006, the Panel issued an order requiring a hearing on the parties' proposed Stipulated Award and request for expungement.

On or about September 27, 2006, the parties filed with NASD a revised Stipulated Award for the Panel's consideration.

This matter involved disputed claims and was settled by the parties prior to the submission of any evidence by any party, and prior to the final arbitration hearing. As such, no evidence was submitted to the Panel demonstrating that any individual Respondent is culpable of any wrongdoing. It also was agreed between the parties that the claims and allegations in this cause related solely to the sale of life insurance, and should have been directed solely at the investment advisors and not the NASD registered broker-dealer. As such, Claimants agree to dismiss, with prejudice, all claims against Respondents Barry and Asset Management. Additionally, because the issues and allegations in this cause related solely to life insurance and the acts of the investment advisors, all references to this arbitration proceeding shall be expunged from the Central Registration Depository ("CRD") records of the Respondents Barry and Barry Jr.

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

The Panel, having been advised that the claims and allegations in this cause relate solely to the sale of life insurance, and should have been directed solely at the investment advisors and not the NASD registered broker-dealer, recommends that all CRD filings as to Respondents Barry and Barry, Jr. with respect to and referencing this claim, be expunged from Respondents Barry and Barry, Jr.'s registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Barry and Barry, Jr. must obtain confirmation from a court of competent jurisdiction before NASD CRD will execute the expungement directive.

Respondents Barry and Asset Management are hereby dismissed as parties, with prejudice.

Claimants' dismissal of all claims in this proceeding against Respondents Barry Financial and Barry, Jr., without prejudice, are accepted.

The parties shall each bear their own costs and attorneys' fees.

Respondents' counterclaim is dismissed with prejudice.

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	= \$ 300.00
Counterclaim filing fee	= \$1,250.00

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(s) at the time of the events giving rise to the dispute. Respondent Asset Management is not presently a member firm of NASD. However, Respondent Asset Management was a member firm at the

time of the events giving rise to this dispute. Accordingly, the following members fees are assessed against Respondent Asset Management.

Member Surcharge	= \$1,700.00
Pre-Hearing Process Fee	= \$ 750.00
<u>Hearing Process Fee</u>	<u>= \$4,000.00</u>
Total Member Fees	= \$6,450.00

Adjournment Fees

The following adjournment fees are assessed:

No adjournment fees were incurred in this matter.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

November 30 – December 3, 2004, adjournment requested jointly by the parties
= \$ 300.00

The Panel assessed \$150.00 to Claimants, jointly and severally
The Panel assessed \$150.00 to Respondents, jointly and severally

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Forum fees associated with these proceedings are:

Claimants' share of forum fees is based upon the hearing session deposit rate of \$1,125.00 pursuant to the relief requested in the initial claim:

Four (4) Pre-hearing conferences with the Panel @ \$1,125.00/session	= \$4,500.00
Pre-hearing conferences: March 8, 2004	1 session
March 16, 2004	1 session
May 4, 2004	1 session
September 5, 2006	1 session

One (1) hearing session with the Panel @ \$1,125.00/session	= \$1,125.00
Hearing session: August 28, 2006	1 session

Total Forum Fees	= \$5,625.00
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The Panel has waived forum fees of \$1,125.00 for the August 28, 2006 hearing session.

Pursuant to the agreement of the parties and approval of the Panel, Claimants are jointly and severally assessed one-half of the forum fees in the amount of \$2,250.00.

Respondents' share of forum fees is based upon the hearing session deposit rate of \$1,200.00 pursuant to the relief requested in the counterclaim:

Four (4) Pre-hearing conferences with the Panel @ \$1,200.00/session	= \$4,800.00
Pre-hearing conferences: March 8, 2004	1 session
March 16, 2004	1 session
May 4, 2004	1 session
September 5, 2006	1 session
One (1) hearing session with the Panel @ \$1,200.00/session	= \$1,200.00
Hearing session: August 28, 2006	1 session
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Total Forum Fees	= \$6,000.00

The Panel has waived forum fees of \$1,200.00 for the August 28, 2006 hearing session.

Pursuant to the agreement of the parties and approval of the Panel, Respondents are jointly and severally assessed one-half of their total forum fees in the amount of \$2,400.00.

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, and security.

No administrative costs were incurred in this matter.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Three-day Cancellation Fee	= \$ 150.00
Forum Fees	= \$2,250.00
Total Fees	= \$2,700.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$1,125.00

Respondent Asset Management is solely liable for:

Member Fees	= \$6,450.00
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Total Fees	= \$6,450.00
<u>Less payments</u>	<u>= \$6,450.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Counterclaim Filing Fee	= \$1,250.00
Three-Day Cancellation Fee	= \$ 150.00
<u>Forum Fees</u>	<u>= \$2,400.00</u>
Total Fees	= \$3,800.00
<u>Less payments</u>	<u>= \$3,275.00</u>
Balance Due NASD Dispute Resolution	= \$ 525.00

All balances are due and payable to NASD Dispute Resolution.

ARBITRATION PANEL

Seth L. Finkel, Esq.	-	Public Arbitrator, Presiding Chair
Robert A Sauerberg	-	Public Arbitrator
E. Leonard Pacun	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Seth L. Finkel, Esq.
Public Arbitrator, Presiding Chair

October 3, 2006
Signature Date

Robert A Sauerberg
Public Arbitrator

Signature Date

/s/
E. Leonard Pacun
Non-Public Arbitrator

October 4, 2006
Signature Date

October 4, 2006
Date of Service (For NASD Dispute Resolution office use only)

Total Fees	= \$6,450.00
<u>Less payments</u>	<u>= \$6,450.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

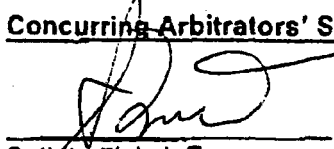
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Seth L. Finkel, Esq.
Public Arbitrator, Presiding Chair.

10/3/06
Signature Date

Robert A Sauerberg
Public Arbitrator

Signature Date

E. Leonard Pacun
Non-Public Arbitrator

Signature Date

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

NASD Dispute Resolution
 Arbitration No 03-02522
Stipulated Award Page 7 of 7

Total Fees	= \$6,450.00
Less payments	= \$6,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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Counterclaim Filing Fee	= \$1,250.00
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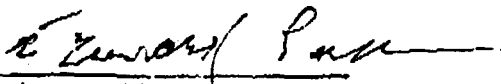
Concurring Arbitrators' Signatures

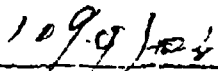
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 Public Arbitrator, Presiding Chair

 Signature Date

 Robert A Sauerberg
 Public Arbitrator

 Signature Date


 E. Leonard Pacun
 Non-Public Arbitrator


 Signature Date

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NASD Dispute Resolution
 Arbitration No. 03-02522
Stipulated Award Page 7 of 7

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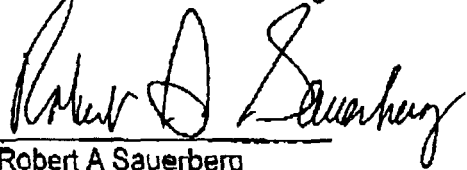
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 Public Arbitrator, Presiding Chair

Signature Date



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10/6/06
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