

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Eugene Ko, Claimant v. World Marketing Alliance, Inc., World Financial Group, Inc.,
WMA Securities, Inc., World Group Securities, Inc., Steeley H. Humphrey, Jr., Pei Ney
Ooi, Yuh-Jiun Chen and Yvonne I. Mei, Respondents

Yvonne I. Mei, Counter-Claimant v. Eugene Ko, Counter-Respondent

Case Number: 03-02841

Hearing Site: San Francisco, California

Nature of the Dispute: Associated Person v. Members, Non-Members and Associated
Persons

Associated Person v. Associated Person

REPRESENTATION OF PARTIES

For Claimant:

Steve A. Buchwalter, Esq.
Law Offices of Steve A.
Buchwalter, P.C.
Encino, California

For Respondents World Group Securities, Inc.,
Pei Ney Ooi and Yvonne I. Mei:

Christian J. Rowley
Seyfarth Shaw LLP
San Francisco, California

For Respondents WMA Securities, Inc.,
World Marketing Alliance, Inc. and
Steeley H. Humphrey, Jr.:

Michael A. Firestein
Proskauer Rose LLP
Los Angeles, California

For Respondent Yuh-Jiun Chen:

Connie J Yi
Law Offices of Connie Yi
Pleasanton, California

CASE INFORMATION

Statement of Claim filed: April 14, 2003

Amendment to Statement of Claim filed: July 14, 2003

Second Amendment to Statement of Claim filed: November 19, 2003

Third Amended Statement of Claim filed: September 30, 2004

Claimant's Request to Amend Statement of Claim filed: January 3, 2005

Fourth Amended Statement of Claim filed: March 1, 2006

Fifth Amended Statement of Claim filed: March 24, 2006

Sixth Amended Statement of Claim filed: March 24, 2006

Claimant's Opposition to Respondent Pei Ney Ooi's Motion to Dismiss Claimant's Claims Related to Cole Ko or His Estate filed: May 10, 2004

Claimant's Opposition to Respondents' Motion to Dismiss filed: December 17, 2004

Claimant's Opposition to Respondent Yvonne I. Mei's Motion to Dismiss filed: January 30, 2006

Claimant's Opposition to Respondents' Dispositive Motions filed: July 5, 2006

Claimant's Opposition to Respondent Yuh-Jiun Chen's Motion for Summary Judgment filed: August 2, 2006

Claimant's Uniform Submission Agreement signed: April 2, 2003

Answer and Defenses of Respondent World Group Securities, Inc. to Claimant's Second Amended Statement of Claim filed: December 3, 2003

Answer and Defenses of Respondent Pei Ney Ooi to Claimant's Second Amended Statement of Claim filed: December 3, 2003

Respondent Pei Ney Ooi's Motion to Dismiss Claimant's Claims Related to Cole Ko or His Estate filed: April 30, 2004

Answer and Defenses of Respondent World Group Securities, Inc. to Claimant's Third Amended Statement of Claim filed: October 29, 2004

Answer and Defenses of Respondent Pei Ney Ooi to Claimant's Third Amended Statement of Claim filed: October 29, 2004

Answer, Defenses and Counterclaims of Respondent Yvonne I. Mei to Claimant's Third Amended Statement of Claim filed: October 6, 2005

Respondent Yvonne I. Mei's Motion to Dismiss filed: December 22, 2005

Answer and Defenses of Respondents Pei Ney Ooi and Yvonne I. Mei to Claimant's Fifth Amended Statement of Claim filed: April 14, 2006

Motion for Summary Judgment and Supporting Memorandum filed by Respondents World Group Securities, Inc., Pei Ney Ooi and Yvonne I. Mei: June 6, 2006

Reply Memorandum in Support of World Group Securities, Inc., Pei Ney Ooi and Yvonne I. Mei's Dispositive Motion filed: July 28, 2006

Answer and Affirmative Defenses of Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr. to Claimant's Statement of Claim and Demand for Arbitration filed: November 5, 2003

Amended Answer and Affirmative Defenses of Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr. to Claimant's Statement of Claim and Demand for Arbitration; Motion to Dismiss the Statement of Claim filed: March 17, 2004

Answer and Affirmative Defenses of Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr. to Claimant's Third Amended Statement of Claim; Request for Leave to File Motion to Dismiss; Proposed Motion to Dismiss filed: October 29, 2004

Reply in Further Support of the Motion to Dismiss by Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr. filed: April 23, 2004

Reply of Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr. in Further Support of their Motion to Dismiss Claimant's Third Amended Statement of Claim filed: December 23, 2004

Dispositive Motion of Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr. and Partial Joinder in Dispositive Motion of Other Respondents filed: June 7, 2006

Reply Brief in Further Support of Dispositive Motion of Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr. and Partial Joinder in Dispositive Motion of Other Respondents filed: July 28, 2006

Respondent WMA Securities, Inc.'s Uniform Submission Agreement signed: May 18, 2004

Respondent World Marketing Alliance, Inc.'s Uniform Submission Agreement signed: May 18, 2004

Respondent Steeley H. Humphrey, Jr.'s Uniform Submission Agreement signed: May 18, 2004

Answer and Defenses of Respondent Yuh-Jiun Chen to Claimant's Third Amended Statement of Claim filed: January 9, 2006

Answer and Defenses of Respondent Yuh-Jiun Chen to Claimant's Fifth Amended Statement of Claim filed: May 15, 2006

Respondent Yuh-Jiun Chen's Motion for Summary Judgment filed: July 5, 2006

CASE SUMMARY

Claimant alleged the following claims with respect to his affiliation with World Group Securities, Inc.: 1) Fraud (By Estate of Cole Ko against World Marketing Alliance, Inc., WMA Securities, Inc., Ooi, Mei, Chen and Humphrey); 2) Fraud (By Eugene Ko against World Marketing Alliance, Inc., WMA Securities, Inc., Humphrey, World Group Securities, Inc. and Ooi); 3) Violation of California Franchise Investment Law (Estate of Cole Ko against World Marketing Alliance, Inc., WMA Securities, Inc. and Humphrey); 4) Conversion (Estate of Cole Ko and Eugene Ko against all Respondents); 5) Negligence (Estate of Cole Ko and Eugene Ko against all Respondents); 6) Unauthorized Trading (Estate of Cole Ko and Eugene Ko against World Marketing Alliance, Inc., WMA Securities, Inc. and Humphrey); 7) Conversion (Eugene Ko against World Marketing Alliance, Inc. and WMA Securities, Inc.); and 8) Quantum Meruit (Estate of Cole Ko and Eugene Ko against all Respondents).

Respondents denied Claimant's allegations of wrongdoing and denied any liability to Claimant. Respondents also asserted affirmative defenses.

Respondent Yvonne I. Mei alleged the following counterclaims: 1) Quantum Meruit – against Claimant; and 2) Unjust Enrichment – against Claimant.

RELIEF REQUESTED

Claimant requested the following relief with respect to the Initial Statement of Claim:

1. Compensatory damages in the amount of \$500,000.00, as well as an order that all of Cole's continuing commissions belong to Claimant;
2. Punitive damages in an amount to be determined by the Panel;
3. Interest at the legal rate for all of the above amounts;
4. Attorney's fees and costs; and
5. Such other and further relief as the Panel may deem appropriate.

Claimant requested the following relief with respect to the Third, Fifth and Sixth Amended Claims:

1. Compensatory damages in the amount of \$2,500,000.00, as well as an order that all of Cole's continuing commissions (in an amount specified by the Panel) be paid to Estate of Cole Ko;
2. An additional \$60,000.00 a month in continuing commissions until this matter is heard;
3. Punitive damages in an amount to be determined by the Panel;
4. Interest at the legal rate for all of the above amounts;
5. Attorney's fees and costs; and
6. Such other and further relief as the Panel may deem appropriate.

Respondents World Group Securities, Inc., Pei Ney Ooi and Yvonne I. Mei requested:

1. Dismissal of Claimant's claims and that said Respondents be dismissed from this matter with prejudice;
2. Costs and reasonable attorneys' fees; and
3. Such other and further legal or equitable relief as the Panel deems proper.

Respondent Yvonne I. Mei requested:

1. The reasonable value of the monies expended and services rendered in excess of \$200,000.00;
2. Interest; and
3. Such other and further relief as the Panel deems proper.

Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr. requested:

1. Dismissal of Claimant's claims in their entirety;
2. Costs and attorneys' fees; and
3. Such other relief which the Panel may find to be just and equitable.

Respondent Yuh-Jiun Chen requested:

1. Dismissal of Claimant's claims and that Respondent Chen be dismissed from this matter with prejudice;
2. Costs and reasonable attorneys' fees; and
3. Such other and further relief as the Panel deems proper.

OTHER ISSUES CONSIDERED AND DECIDED

On January 31, 2004, Claimant and Claimant's counsel 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.

Pursuant to the Code of Arbitration Procedure IM-10100 the waiver of the Claimant shall constitute and operate as a waiver for all member firms and associated persons (including terminated or otherwise inactive member firms or associated persons) against whom the Claim has been filed.

Respondent World Financial Group, Inc. is not a member of the NASD and did not voluntarily submit to NASD Dispute Resolution ("NASD-DR") jurisdiction in this matter. Accordingly, World Financial Group, Inc. was removed as a party in this matter.

Respondents World Group Securities, Inc., Pei Ney Ooi, Yuh-Jiun Chen and Yvonne I. Mei did not file with NASD-DR, properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD-DR Code of Arbitration Procedure ("the Code") and, having answered Claimant's Claim, are bound by the determination of the Panel on all issues submitted.

On or about March 9, 2006, the Panel deemed Claimant's Fourth Amended Statement of Claim withdrawn without prejudice. The Panel approved the filing of all other aforementioned amendments to the Statement of Claim in this matter.

On August 3, 2006, the Panel reviewed and considered the positions of the parties relative to Respondents' Motions to Dismiss. The Panel granted the Motions with respect to Respondents World Group Securities, Inc., Pei Ney Ooi, Yvonne I. Mei and Yuh-Jiun Chen. The Panel denied the Motion in connection with certain claims concerning Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr.

The Panel 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 and positions of the parties relative to Respondents World Group Securities, Inc., Pei Ney Ooi and Yvonne I. Mei's Request for Costs, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. On or about September 11, 2006, the Panel was advised that Claimant had reached a settlement with the remaining Respondents WMA Securities, Inc., World Marketing Alliance, Inc. and Steeley H. Humphrey, Jr.

2. On August 3, 2006, the Panel entered an Order granting the motion for summary judgment brought by Respondents World Group Securities, Inc., Pei Ney Ooi and Yvonne I. Mei. The Order granted leave to these Respondents to seek the award of reasonable costs in defending this matter. These Respondents made their request for an award of costs of \$22,153.44 through a letter and declaration dated October 17, 2006. Claimant filed an Opposition to the statement of costs on November 6, 2006. Respondents filed a reply memorandum on November 13, 2006, seeking an adjusted figure of \$21,947.18 for costs. Claimant filed a response to the reply on November 17, 2006, contending that at most \$7,425.00 was owed. The Panel has conferred and has determined that it is not necessary to conduct a hearing to review the statement of costs.

Claimant Eugene Ko is liable for and shall pay to Respondents World Group Securities, Inc., Pei Ney Ooi and Yvonne I. Mei the sum of \$14,700.00 in costs. This represents an equitable reduction from the adjusted requested amount of \$21,947.18. For example, the Panel had some questions concerning the cost bill, particularly regarding the reasonableness of certain items charged on the trip to New York and Chicago. Given that counsel for these Respondents has offices in both of these cities, it is not clear why the investigational work done on the trip could not have been performed by associates located in those offices. As another example, Claimant has contended that if California law were applied strictly, many of the requested costs would have to be disallowed. In view of the amounts at issue, however, it would be extremely costly and wasteful for all concerned to pursue the issue further. Therefore, the Panel has decided that this downward adjustment is an equitable way to resolve the doubts and put an end to this matter.

3. Except as noted in paragraph 2 above, each party shall bear its own costs, including attorneys' fees.

4. All other relief not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$500.00
Counterclaim filing fee	= \$300.00

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, WMA Securities, Inc. and World Group Securities, Inc. are parties and the following fees are assessed:

WMA Securities, Inc.

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

World Group Securities, Inc.

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

Adjournment Fees

The following adjournment fees are assessed:

The Panel granted Respondents Pei Ney Ooi and World Group Securities, Inc.'s request to postpone the February 1-4, and February 7, 2005, hearing dates and waived the \$1,125.00 postponement fee.

The Panel granted the parties' request to postpone the March 7-11, 2005, hearing dates and waived the \$1,200.00 postponement fee.

The Panel granted Respondents World Group Securities, Inc., Pei Ney Ooi and Yvonne I. Mei's request to postpone the February 6-10, 2006, hearing dates and waived the \$1,200.00 postponement fee.

The Panel granted Respondents World Group Securities, Inc., Pei Ney Ooi and Yvonne I. Mei's request to postpone the July 10-14, and 17-18, 2006, hearing dates and waived the \$1,500.00 postponement fee.

Forum Fees and Assessments

The Panel 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:

(6) Pre-hearing conference sessions with a single arbitrator
@ \$450.00/session = \$2,700.00

Pre-hearing conferences:	November 18, 2004	1 session
	April 27, 2005	1 session
	June 14, 2005	1 session
	August 11, 2005	1 session
	March 9, 2006	1 session
	August 14, 2006	1 session

(8) Pre-hearing conference sessions with the Panel
@ \$1,200.00/session = \$9,600.00

Pre-hearing conferences:	April 21, 2004	1 session
	May 17, 2004	1 session
	July 8, 2004	1 session
	January 6, 2005	1 session
	March 7, 2005	1 session
	November 11, 2005	1 session
	February 6, 2006	1 session
	August 2, 2006	1 session

Total Forum Fees	= \$12,300.00
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The Panel assessed \$6,400.00 of the forum fees to Claimant Eugene Ko.

The Panel assessed \$4,450.00 of the forum fees jointly and severally to Respondents WMA Securities, Inc. and Steeley H. Humphrey, Jr.

The Panel assessed \$250.00 of the forum fees to Respondent Yuh-Jiun Chen.

The Panel waived the \$1,200.00 in forum fees in connection with the pre-hearing conference held May 17, 2004.

Fee Summary

1. Claimant Eugene Ko is charged with the following fees and costs:

Initial Filing Fee	= \$	500.00
Forum Fees	= \$	6,400.00
Total Fees	= \$	6,900.00
Less Payments	= \$(1,700.00)
Balance Due NASD Dispute Resolution	= \$	5,200.00

2. Respondent Yvonne I. Mei is charged with the following fees and costs:

Counterclaim Filing Fee	= \$	300.00
Less Payments	= \$(1,425.00)
Refund Paid To Yvonne I. Mei	= \$(1,125.00)

3. Respondent WMA Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$	8,550.00
Less Payments	= \$(8,550.00)
Balance Due NASD Dispute Resolution	= \$	0.00

4. Respondent World Group Securities, Inc. is charged with the following fees and costs:

Member Fees	= \$	8,550.00
Less Payments	= \$(8,550.00)
Balance Due NASD Dispute Resolution	= \$	0.00

5. Respondents WMA Securities, Inc. and Steeley H. Humphrey, Jr. are charged jointly and severally with the following fees and costs:

Forum Fees	= \$	4,450.00
Less Payments by WMA Securities, Inc.	= \$(4,450.00)
Balance Due NASD Dispute Resolution	= \$	0.00

6. Respondent Yuh-Jiun Chen is charged with the following fees and costs:

Forum Fees	= \$	250.00
Less Payments	= \$(250.00)
Balance Due NASD Dispute Resolution	= \$	0.00

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

ARBITRATION PANEL

David I. Levine, Esq.	-	Public Arbitrator, Presiding Chair
Jane Bradley, Esq.	-	Public Arbitrator
Fergus J. Henahan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

David I. Levine, Esq.
Chair, Public Arbitrator

Signature Date

Jane Bradley, Esq.
Public Arbitrator

Signature Date

Fergus J. Henahan
Non-Public Arbitrator

Signature Date

Date of Service

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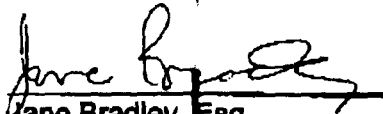
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