

**AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimant

Floyd E. Austin

and

Case Number: 03-02884
Hearing Site: Nashville, Tennessee

Respondents

L.H. Ross & Company, Inc., Peter C. Dunne
and Gary J. Redding

NATURE OF DISPUTE

Customer v. Terminated Member and Associated Persons

REPRESENTATION OF PARTIES

Floyd E. Austin ("Claimant") was represented by Michael S. Lattier, Esq., Hunter, Smith & David, LLP, Kingsport, Tennessee.

L.H. Ross & Company, Inc. ("L.H. Ross") was represented by Alan P. Fraade, Esq., Mintz & Fraade, P.C., New York, New York until November 16, 2004. Gary Langan Goodenow, Esq., Miami Shores, Florida represented L.H. Ross until February 14, 2005. After that date, Dennis G. Fano, Jr., Esq., Dennis G. Fano, P.A., Boca Raton, Florida represented L.H. Ross.

Peter C. Dunne ("Dunne") was represented by Robert Bertsch, Esq., Bertsch & Associates, P.C., Port Washington, New York.

Gary J. Redding ("Redding") did not make an appearance.

CASE INFORMATION

The Statement of Claim was filed on or about April 21, 2003. The Submission Agreement of Floyd E. Austin was signed on or about April 14, 2003.

The Statement of Answer was filed by L.H. Ross & Company, Inc. on or about June 17, 2003. The Submission Agreement of L.H. Ross & Company, Inc. was signed on or about June 17, 2003.

The Statement of Answer was filed by Peter C. Dunne on or about June 16, 2003. The Submission Agreement of Peter C. Dunne was signed on or about June 2, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of the Tennessee Consumer Protection Act; fraudulent misrepresentation; negligence; and breach of fiduciary duty. The causes of action related to Claimant's assertion that L.H. Ross, Dunne and Redding made certain misrepresentations regarding the purchase of various securities including ABF New Century Financial and Genesisintermedia, Inc.

Unless specifically admitted in its Answer, Respondent, L.H. Ross & Company, Inc., denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim failed to state a claim upon which relief can granted; Claimant knew and was aware of the risks associated with the investments and voluntarily chose to assume those risks; and the Claimant failed to mitigate the damages alleged.

Unless specifically admitted in his Answer, Respondent Peter C. Dunne denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimant requested an award in the amount of \$96,291.53 in compensatory damages, plus \$2,000,000.00 in punitive damages, interest, attorneys' fees, costs and any other relief the Panel deemed appropriate.

L.H. Ross requested that the claims asserted against it be dismissed in their entirety and that it be awarded its costs and attorneys' fees.

Dunne requested that the claims asserted against him be dismissed in their entirety and that he be awarded his costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators have determined that Gary J. Redding has been properly served with the Statement of Claim pursuant to Rule 10302 and Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondent Gary J. Redding, had received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

On or about October 12, 2004, Claimant filed a Motion to Compel Discovery. In its Order dated January 31, 2005, the Panel granted the Motion to Compel.

On or about May 11, 2005, Claimant settled with, and dismissed with prejudice its claims against, Peter C. Dunne.

On or about May 11, 2005, Claimant filed a Motion for the Sanction of Dismissal of L.H. Ross & Company, Inc.'s Defenses and an Award in Favor of Claimant for Failure to Comply with the Panel's Order.

In its Order dated June 30, 2005, the Panel granted Claimant's Motion for the Sanction of Dismissal of L.H. Ross & Company, Inc.'s Defenses and an Award in Favor of Claimant for Failure to Comply with the Panel's Order.

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 original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony at the pre-hearing conferences, and Claimant's Motion for Dismissal of L.H. Ross & Company, Inc.'s Defenses and an Award in Favor of Claimant, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent, L.H. Ross & Company, Inc. is liable for and shall pay to Claimant, Floyd E. Austin, the sum of \$93,251.23 in compensatory damages;
- 2.) Claimant's claims against Respondent, Gary J. Redding, are dismissed without prejudice;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

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 = \$ 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 firm is L.H. Ross & Company, Inc.

Member surcharge = \$ 2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings:

May 11-12, 2004, adjournment requested by Claimant = \$ 1,200.00
(waived by Panel)

August 10-11, 2004, adjournment requested jointly by the parties = \$ 1,200.00
(waived by Panel)

November 3-4, 2004 adjournment requested by L.H. Ross = \$ 1,200.00

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 3-4, 2004, adjournment requested by L.H. Ross = \$ 300.00

Forum Fees and Assessments

The Panel has assessed 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. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$1,200.00	= \$	2,400.00
Pre-hearing conferences:		
October 16, 2003	1 session	
December 21, 2004	1 session	
Total Forum Fees	= \$	2,400.00

The Arbitration Panel has assessed \$2,400.00 of the forum fees to L.H. Ross & Company, Inc.

Fee Summary

Claimant, Floyd E. Austin, is liable for:

Initial Filing Fee	= \$	500.00
Total Fees	= \$	500.00
Less payments	= \$	1,700.00
Balance refunded by NASD Dispute Resolution	= \$	1,200.00

Respondent, L.H. Ross & Company, Inc., is liable for:

Member Fees	= \$	8,550.00
Adjournment Fee	= \$	1,200.00
Three-Day Cancellation Fee	= \$	300.00
Forum Fees	= \$	2,400.00
Total Fees	= \$	12,450.00
Less payments	= \$	9,300.00
Balance Due NASD Dispute Resolution	= \$	3,150.00

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

ARBITRATION PANEL

Fred M. Acuff, Jr., Esq. - Public Arbitrator, Presiding Chair
Hugh J. Moore, Jr., Esq. - Public Arbitrator
Nicholas James Douglas - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Fred M. Acuff, Jr., Esq.
Fred M. Acuff, Jr., Esq.
Public Arbitrator, Presiding Chair

June 27, 2006
Signature Date

/s/ Hugh J. Moore, Jr., Esq.
Hugh J. Moore, Jr., Esq.
Public Arbitrator

June 26, 2006
Signature Date

/s/ Nicholas James Douglas
Nicholas James Douglas
Non-Public Arbitrator

June 28, 2006
Signature Date

July 6, 2006
Date of Service (For NASD office use only)

ARBITRATION PANEL

Fred M. Acuff, Jr., Esq. - Public Arbitrator, Presiding Chair
Hugh J. Moore, Jr., Esq. - Public Arbitrator
Nicholas James Douglas - Non-Public Arbitrator

Concurring Arbitrators:

Fred M. Acuff, Jr.
Fred M. Acuff, Jr., Esq.
Public Arbitrator, Presiding Chair

6-27-06
Signature Date

Hugh J. Moore, Jr.
Hugh J. Moore, Jr., Esq.
Public Arbitrator

Signature Date

Nicholas James Douglas
Nicholas James Douglas
Non-Public Arbitrator

Signature Date

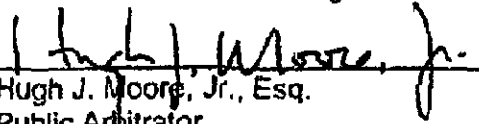
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Public Arbitrator, Presiding Chair


Hugh J. Moore, Jr., Esq.
Public Arbitrator

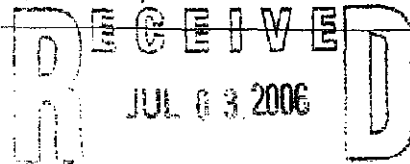
Signature Date

6-26-06
Signature Date

Nicholas James Douglas
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)



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Hugh J. Moore, Jr., Esq. - Public Arbitrator
Nicholas James Douglas - Non-Public Arbitrator

Concurring Arbitrators:

Fred M. Acuff, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Hugh J. Moore, Jr., Esq.
Public Arbitrator

Signature Date

Nicholas James Douglas

Nicholas James Douglas
Non-Public Arbitrator

6-28-06

Signature Date

Date of Service (For NASD office use only)