

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

Durango Masonic Temple Association, Inc.

v.

03-02893
Denver, Colorado

Respondents

SunAmerica Securities, Inc.,
Robert Coffey and David Ehrig

Nature of Dispute: Customer v. Member and Associated Persons

REPRESENTATION OF PARTIES

Durango Masonic Temple Association, Inc. ("**Claimant**") was represented by Adam P. Stapen, Esq., of Dill, Dill, Carr, Stonebreaker & Hutchings, P.C., Denver, Colorado.

SunAmerica Securities, Inc. ("**SunAmerica**"), Robert Coffey ("**Coffey**") and David Ehrig ("**Ehrig**"), hereinafter referred to as "**Respondents**," were represented by Frieda C. Leonard, Esq., of Treece, Alfrey, Musat & Bosworth, P.C., Denver, Colorado.

CASE INFORMATION

The Statement of Claim was filed on or about April 21, 2003. The Submission Agreement of Claimant was signed on or about April 15, 2003 by Steve Jackson and Tommy Tucker on behalf of Durango Masonic Temple Association, Inc.

The Statement of Answer was filed jointly by Respondents, SunAmerica Securities, Inc., Robert Coffey and David Ehrig, on or about July 10, 2003. The Submission Agreement of Respondent, SunAmerica Securities, Inc., was signed on or about September 1, 2004 by Sarah Kreisman of SunAmerica Securities, Inc. The Submission Agreement of Respondent, David Ehrig, was signed on or about September 1, 2004.

CASE SUMMARY

Claimant asserted causes of action including the following: respondeat superior, breach of fiduciary duty, violation of the Colorado Securities Act, violation of the Federal Securities Act 10b-5, common law fraud, negligent misrepresentation and breach of contract. The causes of action related to Claimant's allegation that Respondent Coffey recommended and implemented unsuitable trades in a margin account for the purpose of generating unnecessary fees, commissions and interest income for

Respondents. Claimant asserted that Respondent Coffey altered its new account form to reflect a more aggressive risk tolerance and misrepresented Claimant's experience in margin account trading. Claimant further alleged that Respondents Ehrig and SunAmerica were aware Coffey's deceptive and misleading conduct, but did nothing to advise Claimant about the unsuitable and inappropriate manner in which its accounts were being handled.

Respondents denied the allegations set forth in the Statement of Claim and asserted defenses including the following: Claimant's claims may be limited or barred by contract; Claimant's claims are barred by the equitable doctrines of waiver, consent or estoppel; any of Claimant's losses were the result of market conditions, and not from any alleged wrongful conduct on behalf of Respondents; some or all of Claimant's causes of action fail to state a claim upon which relief can be granted; and Claimant, by its actions, consented and ratified all of the investments made.

RELIEF REQUESTED

Claimant requested an award of \$250,000 in compensatory damages, plus \$250,000 in punitive damages, interest, costs, attorney's fees and any other relief the Panel deemed just and proper.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

At the conclusion of Claimant's case in chief, Respondents orally made a Motion for a Directed Verdict, stating that Claimant failed to present prima facie case. Claimant objected, with the exception of claims based on the alleged violation of the Federal Securities Act 10b-5 and common law fraud. The Panel granted Respondents' Motion for the Directed Verdict as to the claims based on the alleged violation of the Federal Securities Act 10b-5 and common law fraud and denied Respondents' Motion for a Directed Verdict as to the remaining claims.

Respondent, Robert Coffey, did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and having answered the claim and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims, each and all, are hereby denied and dismissed with prejudice in their entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent, David Ehrig'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, David Ehrig, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;
3. To the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto, including punitive damages, are denied with prejudice; and
4. 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	= \$ 300
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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 SunAmerica Securities, Inc.

Member surcharge	= \$ 1,700
Pre-hearing process fee	= \$ 750
Hearing process fee	= \$ 2,750

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

One (1) Pre-hearing session with Panel x \$ 1,125 = \$ 1,125

Pre-hearing conference: 02/16/2004 1 session

Six (6) Hearing sessions with Panel x \$ 1,125 = \$ 6,750

Hearing Dates: 09/01/2004 2 sessions
09/02/2004 2 sessions
09/03/2004 2 sessions

Total Forum Fees = \$ 7,875

The Arbitration Panel has assessed \$ 7,875 of the forum fees to SunAmerica Securities, Inc.

Fee Summary

Claimant, Durango Masonic Temple Association, Inc., is liable for:

Initial Filing Fee	= \$ 300
Total Fees	= \$ 300
Less payments	= \$ 1,425
Balance Refunded By NASD Dispute Resolution	= \$ 1,125

Respondent, SunAmerica Securities, Inc., is liable for:

Member Fees	= \$ 5,200
Forum Fees	= \$ 7,875
Total Fees	= \$ 13,075
Less payments	= \$ 5,200
Balance Due NASD Dispute Resolution	= \$ 7,875

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

Dennis R. Frohlich, Esq. - Public Arbitrator, Presiding Chair
William Joseph Lippman, Esq. - Public Arbitrator
Harold M. Golz, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Dennis R. Frohlich, Esq.
Public Arbitrator, Presiding Chair

Signature Date

William Joseph Lippman, Esq.
Public Arbitrator

Signature Date

Harold M. Golz, Esq.
Non-Public Arbitrator

Signature Date

5/10/04
Date of Service (NASD use only)

ARBITRATION PANEL

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William Joseph Lippman, Esq. - Public Arbitrator
Harold M. Golz, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Dennis R. Frohlich
Dennis R. Frohlich, Esq.
Public Arbitrator, Presiding Chair

September 10, 2004
Signature Date

William Joseph Lippman, Esq.
William Joseph Lippman, Esq.
Public Arbitrator

Signature Date

Harold M. Golz, Esq.
Harold M. Golz, Esq.
Non-Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chair

Signature Date



William Joseph Lippman, Esq.
Public Arbitrator

9/9/04

Signature Date

Harold M. Golz, Esq.
Non-Public Arbitrator

Signature Date

9/10/04

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Signature Date

William Joseph Lippman, Esq.
Public Arbitrator

Signature Date



Harold M. Golz, Esq.
Non-Public Arbitrator

9/8/04

Signature Date

9/10/04

Date of Service (NASD use only)