
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Edward Jaffy and
Ellen G. Jaffy, JTWROS

Case Number: 03-03076

Names of the Respondents

Rushmore Securities Corporation,
Matthew Winslow and
Jeffrey Sanders

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Customer v. Member, Associated Person and Non-Member.

REPRESENTATION OF PARTIES

For Edward Jaffy and Ellen G. Jaffy, JTWROS, hereinafter collectively referred to as "Claimants": Darren C. Blum, Esq., Blum, Silver & Schwartz, LLP, Plantation, Florida.

For Respondent Rushmore Securities Corporation ("RSC"): J. Albert Kroemer, Esq., Cantey and Hanger, L.L.P., Dallas, Texas.

For Respondent Jeffrey Sanders ("Sanders"): Sheryll Martens Dunaj, Esq., Stephens Lynn Klein La Cava Hoffman & Puya, P.A., Miami, Florida.

Respondent Matthew Winslow ("Winslow") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: April 28, 2003.

Claimants signed the Uniform Submission Agreement: April 7, 2003.

Statement of Answer and "Counterclaim" filed by Respondent RSC on or about: June 25, 2003.

Respondent RSC signed the Uniform Submission Agreement: June 24, 2003.

Response to Respondent RSC's "Counterclaim" filed by Claimants on or about: June 30, 2003.

Statement of Answer and "Counterclaim" filed by Respondent Winslow on or about: July 1, 2003.

Respondent Winslow signed the Uniform Submission Agreement: July 1, 2003.

Response to Respondent Winslow's "Counterclaim" filed by Claimants on or about: July 16, 2003.

Statement of Answer filed by Respondent Sanders on or about: August 20, 2003.

Respondent Sanders did not submit an executed Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: violation of industry rules; violation of Chapter 517 of the Florida Statutes; breach of fiduciary duty; common law fraud; negligence; and, negligent hiring, supervision and retention of employees. The causes of action relate to the purchase and sale of shares of various stocks in Claimants' account including, but not limited to the following: EMC; ITWO; Juniper Networks; Cisco Systems; Entap; and, Sycamore Networks.

Unless specifically admitted in their Answers, Respondents RSC, Winslow and Sanders denied Claimants' allegations and denied liability for any alleged monetary damages.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$125,000.00, interest at the legal rate from the date of purchase, or reasonable market return, rescission, attorney's fees to be determined by a court of competent jurisdiction, punitive damages, costs and any other relief deemed just and proper.

Respondents RSC and Winslow requested that Claimants take nothing by way of this arbitration, plus the recovery of their attorneys' fees expended in defending this action.

Respondent Sanders requested that the Statement of Claim be dismissed, that all alleged relief be denied, that any claims for attorneys' fees, herein or in any Court, be denied and any other relief deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Sanders did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and is bound by the determinations of the Panel on all issues submitted.

Claimants asserted claims against a non-member whose submission to the jurisdiction of NASD Dispute Resolution was voluntary. The non-member declined to voluntarily submit to the jurisdiction of NASD Dispute Resolution.

During the pre-hearing conference on November 5, 2004, Respondent Winslow verbally withdrew his "Counterclaim" for attorney's fees.

On or about April 13, 2004, Claimants notified NASD Dispute Resolution that this matter had been settled.

On or about May 7, 2004, the parties filed a Stipulation for Dismissal, With Prejudice, and to Expunge Registered Representatives' Records and a proposed Stipulated Award with a request that the Panel enter the Stipulated Award expunging all references to this matter from Respondents Sanders and Winslow's registration records maintained by the NASD Central Registration Depository ("CRD").

- On or about June 7, 2004, the Panel issued an order which granted Respondent Sanders and Winslow's requests

for expungement.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the Stipulation for Dismissal, With Prejudice, and to Expunge Registered Representatives' Records, the proposed Stipulated Award and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Claimants' claims are dismissed, with prejudice.

Discovery was undertaken and in the course of discovery, Claimants determined that, while the claim was initiated in good faith, there was no wrongdoing on the part of Respondents. Claimants have agreed that, in exchange for Respondents' waiver and release of any claims against Claimants or their counsel, this matter should be expunged from the records of the individual Respondents Winslow and Sanders and the parties have so stipulated and agreed.

Prior to the submission of any evidence by any party and prior to the final arbitration hearing, the claim was resolved for the exchange of various confidential releases and agreements. No evidence was submitted to the Panel demonstrating that any individual Respondent was culpable of any wrongdoing and Claimants have so stipulated.

The Panel recommends the expungement of all references to the above-captioned arbitration from Respondents Sanders and Winslow's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Sanders and Winslow must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

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	= \$ 300.00
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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 person at the time of the events giving rise to the dispute. The member firm Rushmore Securities Corporation is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

Adjournment Fees

Adjournment granted during these proceedings for which fees were assessed.

April 12-15, 2004, adjournment requested by Respondent RSC. = \$1,125.00

The Panel has assessed the total adjournment fees of \$1,125.00 jointly and severally to Claimants.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred during this proceeding.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences: January 12, 2004	1 session
January 21, 2004	1 session
One (1) Pre-hearing session with the Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: November 5, 2003	1 session
<hr/> Total Forum Fees	<hr/> = \$2,025.00

The Panel has assessed \$1,012.50 of the forum fees jointly and severally to Claimants.

The Panel has assessed \$1,012.50 of the forum fees jointly and severally to Respondents Sanders, Winslow and RSC.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but 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 during this proceeding.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fees	= \$1,125.00
<u>Forum Fees</u>	<u>= \$1,012.50</u>
Total Fees	= \$2,437.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$1,012.50

Respondent RSC is solely liable for:

<u>Member Fees</u>	<u>= \$5,200.00</u>
Total Fees	= \$5,200.00
<u>Less payments</u>	<u>= \$2,450.00</u>
Balance Due NASD Dispute Resolution	= \$2,750.00

Respondents Sanders, Winslow and RSC are jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$1,012.50</u>
Total Fees	= \$1,012.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$1,012.50

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

ARBITRATION PANEL

George R. Canty, Jr., Esq.	-	Public Arbitrator, Presiding Chairperson
Mark R. Dern, Esq.	-	Public Arbitrator
Howard A. Tescher, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

06/16/04

George R. Canty, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

/s/

06/23/04

Mark R. Dern, Esq.
Public Arbitrator

Signature Date

/s/

06/21/04

Howard A. Tescher, Esq.
Non-Public Arbitrator

Signature Date

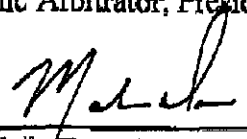
06/25/04

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

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Concurring Arbitrators' Signatures

George R. Canty, Jr., Esq.
Public Arbitrator, Presiding Chairperson



Mark R. Dem, Esq.
Public Arbitrator

Signature Date

6/23/07

Signature Date

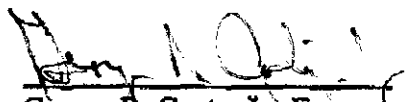
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George R. Canty, Jr., Esq.
Public Arbitrator, Presiding Chairperson

6-16-04

Signature Date

Mark R. Dern, Esq.
Public Arbitrator

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Howard A. Tescher, Esq.
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Public Arbitrator, Presiding Chairperson

Signature Date

Mark R. Dern, Esq.
Public Arbitrator

Signature Date


Howard A. Tescher, Esq.
Non-Public Arbitrator

June 21, 2004
Signature Date

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