
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Cedric Wimberly and
Rose Wimberly

Case Number: 03-03118

Names of the Respondents

Sterling Financial Investment Group, Inc.,
Michael Scott Kaye and Sergio Mariaca

Hearing Site: Atlanta, Georgia

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

REPRESENTATION OF PARTIES

For Cedric Wimberly and Rose Wimberly, hereinafter collectively referred to as "Claimants":
John D. Singer, Esq. and Michael C. Deutsch, Esq., Singer Deutsch LLP, New York, New York.

For Sterling Financial Investment Group, Inc. ("Sterling"), Michael Scott Kaye ("Kaye") and
Sergio Mariaca ("Mariaca"), hereinafter collectively referred to as "Respondents": Kathy M.
Klock, Esq. and Jonathan B. Butler, Esq., Steel Hector & Davis LLP, West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: April 29, 2003.

Claimants signed the Uniform Submission Agreement: April 24, 2003.

Statement of Answer filed by Respondents on or about: July 21, 2003.

Respondent Sterling signed the Uniform Submission Agreement: July 17, 2003.

Respondent Kaye signed the Uniform Submission Agreement: July 3, 2003.

Respondent Mariaca signed the Uniform Submission Agreement: July 4, 2003.

CASE SUMMARY

Claimants alleged that Respondents were responsible for the losses in their Sterling Financial accounts during 2000 and 2001. Claimants contended that Respondents made unsuitable investments, assumed discretionary trading authority over their non-managed accounts, improperly utilized margin and generally handled Claimants' accounts in a negligent manner. Claimants further alleged that Respondent Sterling was negligent in connection with its supervision of Respondents Kaye and Mariaca. Claimants asserted claims for breach of contract, negligence, fraud, respondeat superior and negligent supervision. The causes of action relate to a private placement in Internet Incubator, Inc. and the purchase and sale of shares of JDS Uniphase, CMGI, ValueLink, Interliant, Vietesse and other unspecified securities products in Claimants' accounts.

Respondents denied Claimants' allegations and asserted that the investments in Claimants' accounts were consistent with the investment strategy and objectives established by Claimants. Respondents further alleged that Claimants authorized and ratified all transactions in their accounts and maintained control over their accounts at all times. Respondents further maintained that Claimants' losses were caused by market conditions and not by any action or inaction on the part of Respondents.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$600,000.00, plus interest, punitive damages in the amount of \$5,000,000.00, attorneys' fees, costs, damages arising from lost investment opportunities, disbursements and any other relief deemed just and proper.

Respondents requested that all claims asserted by Claimants be denied in their entirety, that Respondents be awarded costs and attorneys' fees and that this matter be expunged from Respondents Kaye and Mariaca's NASD Central Registration Depository ("CRD") records.

OTHER ISSUES CONSIDERED AND DECIDED

On or about September 13, 2004, the parties notified NASD Dispute Resolution that this matter had been settled.

On or about September 17, 2004, the parties submitted a proposed Stipulated Award with a request that the Panel enter the Stipulated Award expunging this matter from Respondents Kaye and Mariaca's NASD CRD records.

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

AWARD

After considering the pleadings, 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:

1. All claims against Respondents Sterling, Kaye and Mariaca are dismissed.
2. The Panel recommends the expungement of all references to the above-captioned arbitration from Respondents Kaye and Mariaca's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Kaye and Mariaca must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.
3. All parties shall bear their respective costs, including attorneys' fees.

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 = \$ 600.00

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 Sterling Financial Investment Group, Inc. is a party.

Member surcharge = \$3,350.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed 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:

No three-day cancellation fees were incurred in this matter.

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 in this matter.

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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00

Pre-hearing conference: March 26, 2004 1 session

One (1) Pre-hearing session with the Panel @ \$1,200.00	= \$1,200.00
<u>Pre-hearing conference: November 20, 2003 1 session</u>	
Total Forum Fees	= \$1,650.00

The Panel has assessed \$825.00 of the forum fees jointly and severally to Claimants.
The Panel has assessed \$825.00 of the forum fees jointly and severally to Respondents.

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 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	= \$ 600.00
Retained hearing session deposit pursuant to Rule 10332(f)	= \$ 375.00
<u>Forum Fees</u>	= \$ 825.00
Total Fees	= \$ 1,800.00
<u>Less payments</u>	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Sterling is solely liable for:

<u>Member Fees</u>	= \$ 9,600.00
Total Fees	= \$ 9,600.00
<u>Less payments</u>	= \$ 9,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 825.00
Total Fees	= \$ 825.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 825.00

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

ARBITRATION PANEL

M. Bruce Adelberg	-	Non-Public Arbitrator, Presiding Chairperson
Emily Bourne Grigsby, Esq.	-	Public Arbitrator
Vincent L. Sgrosso, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

/s/

12/03/04

M. Bruce Adelberg
Non-Public Arbitrator, Presiding Chairperson

Signature Date

/s/

12/02/04

Emily Bourne Grigsby, Esq.
Public Arbitrator

Signature Date

Neither Concurring Nor Dissenting Arbitrator's Signature

/s/

12/04/04

Vincent L. Sgrosso, Esq.
Public Arbitrator

Signature Date

12/09/04

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

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Concurring Arbitrators' Signatures

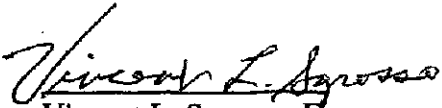
M. Bruce Adelberg
Non-Public Arbitrator, Presiding Chairperson

Signature Date

Emily Bourne Grigsby, Esq.
Public Arbitrator

Signature Date

Neither Concurring Nor Dissenting Arbitrator's Signature


Vincent L. Sgrosso, Esq.
Public Arbitrator

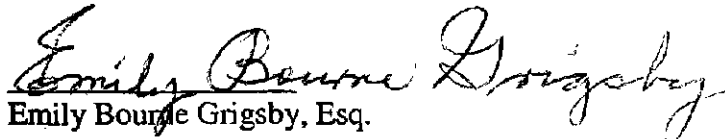
12-04-04
Signature Date

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

Concurring Arbitrators' Signatures

M. Bruce Adelberg
Non-Public Arbitrator, Presiding Chairperson

Signature Date


Emily Bourne Grigsby, Esq.
Public Arbitrator

12/2, 2004
Signature Date

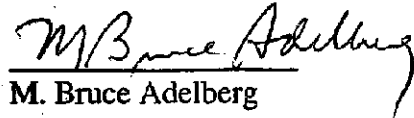
Neither Concurring Nor Dissenting Arbitrator's Signature

Vincent L. Sgrosso, Esq.
Public Arbitrator

Signature Date

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M. Bruce Adelberg
Non-Public Arbitrator, Presiding Chairperson

12/3/04
Signature Date

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