

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimants

R. Glenn Stefano and Nancy Stefano

And

03-03712
Chicago, Illinois

Name of Respondents

McDonald Investments, Inc.
James E. Maxwell, Jr., and
Larry R. Bishop

Nature of the Dispute: Customers vs. Member and Associated Persons

REPRESENTATION OF PARTIES

R. Glenn Stefano and Nancy Stefano ("Claimants") were represented by April Lindawer, Esq., and James, J. Eccleston, Esq., Shaheen, Novoselsky, Staat, Filipowski & Eccleston, P.C., Chicago, Illinois.

Respondent McDonald Investments, Inc. ("McDonald"), was represented by Kenneth F. Berg, Esq., Ulmer & Berne, LLP, Chicago, Illinois.

Respondents, James E. Maxwell, Jr. ("Maxwell") and Larry R. Bishop ("Bishop"), were jointly represented by Nicholas P. Lavarone, Esq., Bellows and Bellows, P.C., Chicago, Illinois.

McDonald, Maxwell and Bishop are collectively known as "Respondents".

CASE INFORMATION

The Statement of Claim was filed on or about June 24, 2003. Submission Agreement of Claimant R. Glenn Stefano was signed on or about May 15, 2003.

The Statement of Answer was filed by Respondents on or about September 9, 2003. The Submission Agreement of Respondent McDonald was signed on or about September 15, 2003. The Submission Agreement of Respondent Maxwell was signed on or about September 3, 2003. The Submission Agreement of Respondent Bishop was signed on or about September 3, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: violation of the Securities Exchange Act of 1934, violation of the Illinois Securities Laws Act of 1953, violation of the Illinois Consumer Fraud and Deceptive Business Practices Act, breach of fiduciary duty, negligence, negligent misrepresentation and omission, breach of contract, control person liability, failure to supervise, and respondeat superior liability. The causes of action related to the handling of Claimants' investment accounts. Respondents denied the allegations of the Statement of Claim.

Respondents denied the allegations set forth in the Statement of Claim.

RELIEF REQUESTED

Claimants requested an award in the amount of:

| | |
|-----------------------------|--------------|
| Actual/Compensatory Damages | \$430,000.00 |
| Punitive Damages | Unspecified |
| Interest | Unspecified |
| Attorney's Fees | Unspecified |
| Other Costs | Unspecified |
| Other Monetary Relief | Unspecified |

Respondents requested that the claims asserted be denied and dismissed in their entirety and requested entry of an award recommending an expungement of all references to Claimants, the claims and the Arbitration

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Rule 10336 of the NASD Code of Arbitration Procedure (hereinafter the "Code"), the parties stipulated and agreed that this matter would be heard by a single arbitrator, the Panel Chairperson, after the initial pre-hearing conference and that any award would be entered by a single arbitrator, the Panel Chairperson (hereinafter referred to as the "Panel"). Upon review of the file, the Panel determined that Respondents have been properly served with the Statement of Claim and received due notice of the proceedings. Each Respondent filed, with NASD Dispute Resolution, Inc., an Answer to the Statement of Claim. MCD is a member of the NASD and the individual Respondents were associated persons. Each party submitted to NASD Arbitration and is bound by the ruling of the Panel.

Claimants voluntarily dismissed the claims asserted against all Respondents prior to hearing. Thereafter, the parties informed NASD Dispute Resolution, Inc. that they had entered into a settlement agreement with respect to the claims. The parties subsequently filed a Stipulation and

Notice of Dismissal with NASD Dispute Resolution, Inc., which requested that the undersigned arbitrator enter an order and/or award expunging any references to this case and matter from the NASD Central Registration Depository ("CRD") record of Larry Bishop and James Maxwell.

The parties have stipulated and 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 the Stipulation and Notice of Dismissal, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel recommends the expungement of any references to the above-captioned arbitration from the permanent registration records of Larry Bishop and James Maxwell maintained by the CRD, with the understanding that, pursuant to NASD Notice to Members 99-09, confirmation of this Award must be obtained from a court of competent jurisdiction before the CRD will execute the expungement directives.
2. All claims, including attorneys' fees and costs, are denied and dismissed with prejudice and each party shall bear their respective costs, including attorneys' fees.

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 |
|--------------------------|-----------|

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. In this matter, the member firm is McDonald Investment, Inc.

| | |
|-------------------------|-------------|
| Member surcharge | \$ 1,700.00 |
| Pre-hearing process fee | \$ 750.00 |
| Hearing process fee | \$ 2,750.00 |
| Total Member Fees | \$ 5,200.00 |

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 | \$ 1,125.00 | \$ 1,125.00 |
| Pre-hearing conference: | 3/3/2004 | 1 session | |
| Total Forum Fees | | | \$ 1,125.00 |

The Arbitration Panel has assessed the following forum fees, jointly and severally, to Claimants \$ 562.50

The Arbitration Panel has assessed the following forum fees jointly and severally to Respondents \$ 562.50

FEE SUMMARY

Claimant, R. Glenn Stefano, shall be and hereby is liable for:

| | |
|---|-----------|
| Initial Filing Fee | \$ 300.00 |
| Total Fees | \$ 300.00 |
| Less Payments | \$ 662.50 |
| Balance Refunded by NASD Dispute Resolution | \$ 362.50 |

Claimants, R. Glenn Stefano and Nancy Stefano, shall be and hereby are jointly and severally liable for:

| | |
|-------------------------------------|-----------|
| Forum Fees | \$ 562.50 |
| Total Fees | \$ 562.50 |
| Less Payments | \$ 562.50 |
| Balance Due NASD Dispute Resolution | \$ 0.00 |

Respondent, McDonald, shall be and hereby is liable for:

| | |
|-------------------------------------|-------------|
| Member Fee | \$ 5,200.00 |
| Total Fees | \$ 5,200.00 |
| Less Payments | \$ 5,200.00 |
| Balance Due NASD Dispute Resolution | \$ 0.00 |

Respondents, McDonald, Maxwell, and Bishop, shall be and hereby are jointly and severally liable for:

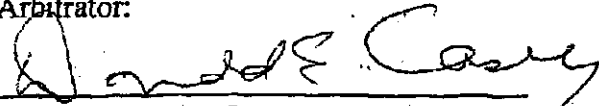
| | |
|-------------------------------------|-----------|
| Forum Fees | \$ 562.50 |
| Total Fees | \$ 562.50 |
| Less Payments | \$ 562.50 |
| Balance Due NASD Dispute Resolution | \$ 0.00 |

All balances are due to NASD Dispute Resolution

ARBITRATOR

Donald E. Casey, Esq.- Public Arbitrator, Presiding Chair

Arbitrator:


Donald E. Casey, Esq.
Public Arbitrator, Presiding Chair

8/31/05
Signature Date

9/30/05
Date of Service (For NASD office use only)