

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimant

Douglas Fox

and

Case Number: 03-04280
Hearing Site: Detroit, Michigan

Respondents

FSC Securities Corp., and
David J. Yankovich

NATURE OF CASE

Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

Douglas Fox ("Claimant") was represented by Anthony V. Trogan, Esq., and Lysa Postula-Stein, Esq., Law Offices of Anthony V. Trogan, P.L.L.C., West Bloomfield, Michigan.

FSC Securities Corp. ("FSC") and David J. Yankovich ("Yankovich"), hereinafter referred to collectively as "Respondents," were represented by Gary M. Saretsky, Esq., and Eric A. Michaels, Esq., Hertz, Schram & Saretsky, P.C., Bloomfield Hills, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about June 12, 2003. The Submission Agreement of Douglas Fox was signed on or about June 17, 2003.

The Statement of Answer was filed jointly by FSC and Yankovich on or about September 4, 2003. The Submission Agreement of Yankovich was signed on or about March 14, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, common law fraud, promissory estoppel, negligence, malpractice, breach of fiduciary duty, and breach of Michigan securities law. The causes of action related to the purchase of Celgene and Viatel, which Claimant asserted were high risk stocks and contrary to his stated investment objectives.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various defenses including the following: Respondents cannot fairly be charged with responsibility for the performance of the national economy and Respondents are neither and insurer nor a guarantor of investment success.

RELIEF REQUESTED

Claimant requested an award in the amount of \$60,000.00, plus interest costs, attorneys' fees, rescission, exemplary and punitive damages, and additional damages as allowed by the panel.

Respondents requested that the claims asserted against them be denied in their entirety and that Yankovich's CRD be expunged of all references to this matter.

OTHER ISSUES CONSIDERED & DECIDED

FSC Securities Corp. did not file with the NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim and appeared through counsel at the pre-hearing, is bound by the determination of the arbitration panel on all issues submitted.

The panel has been informed that the parties have agreed to resolve the matter. However, Respondents have asked the panel to enter an award recommending the expungement of all reference to the above-captioned matter from all registration records of Respondent David Yankovich maintained by the NASD Central Registration Depository. Claimant has no objection to Respondents' request.

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 the NASD Dispute Resolution (the "NASD").

AWARD

After considering the parties' submissions and representations, but without making any findings of fact or conclusions of law, the undersigned arbitrators find as follows:

- 1.) Claimant's claims, having been withdrawn, are dismissed with prejudice;

- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) The panel recommends the expungement of all reference to the above captioned arbitration from Respondent David J. Yankovich's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09, Respondent David J. Yankovich must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive; and
- 4.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby dismissed with prejudice.

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 = \$ 225.00

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 FSC Securities Corp.

Member surcharge	= \$ 1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,700.00

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

One (1) Pre-hearing session with Panel x \$750.00	= \$ 750.00
Pre-hearing conference: April 8, 2004 1 session	
Total Forum Fees	= \$ 750.00

Pursuant to NASD Code of Arbitration Procedure Rule 10332(f), Douglas Fox's Hearing Session Deposit of \$750.00 is retained by NASD.

The Arbitration Panel has assessed \$375.00 of the forum fees jointly and severally to FSC Securities Corp., and David J. Yankovich.

FEE SUMMARY

Claimant, Douglas Fox, is liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 750.00
Total Fees	= \$ 975.00
Less payments	= \$ 975.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, FSC Securities Corp., is liable for:

Member Fees	= \$ 3,550.00
Total Fees	= \$ 3,550.00
Less payments	= \$ 4,875.00
Balance Refunded by NASD Dispute Resolution	= \$ 1,325.00

Respondents, FSC Securities Corp., and David J. Yankovich, are jointly and severally liable for:

Forum Fees	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Veronique M. Liem, Esq. - Public Arbitrator, Presiding Chair
Leonard R. Present - Public Arbitrator
Douglas H. McDonald - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Veronique M. Liem, Esq.
Veronique M. Liem, Esq.
Public Arbitrator, Presiding Chair

03/23/05
Signature Date

/s/ Leonard R. Present
Leonard R. Present
Public Arbitrator

03/25/05
Signature Date

/s/ Douglas H. McDonald
Douglas H. McDonald
Non-Public Arbitrator

03/22/05
Signature Date

03/29/05
Date of Service (For NASD office use only)

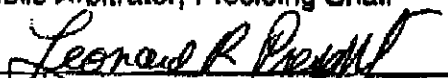
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3-22-05

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