

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Frances Jean Bush

Case Number: 03-04535

Names of the Respondents

Unified Financial Securities, Inc.
Waterstone Financial Group, Inc.,
formerly known as Long Grove Trading
Company
Michael Urbik

Hearing Site: Atlanta, Georgia

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

REPRESENTATION OF PARTIES

For Frances Jean Bush, hereinafter referred to as "Claimant": A. Daniel Woska, Esq., Woska & Hayes, LLP, Oklahoma City, Oklahoma.

For Unified Financial Securities, Inc. ("Unified"): Kenton E. Knickmeyer, Esq., Thompson Coburn LLP, St. Louis, Missouri and David A. Baugh, Esq. and Ellen L. Flannigan, Esq., Mora Baugh Waitzman & Unger LLC, Chicago, Illinois.

For Waterstone Financial Group, Inc., formerly known as Long Grove Trading Company ("Waterstone") and Michael Urbik ("Urbik"): David A. Baugh, Esq. and Ellen L. Flannigan, Esq., Mora Baugh Waitzman & Unger LLC, Chicago, Illinois.

CASE INFORMATION

Statement of Claim filed on or about: June 19, 2003.

Claimant signed the Uniform Submission Agreement: December 17, 2002.

Waterstone Financial Group Inc.'s and Michael Urbik's Answer to Statement of Claim filed on or about: October 27, 2003.

Respondent Waterstone signed the Uniform Submission Agreement: October 16, 2003.

Respondent Urbik signed the Uniform Submission Agreement: October 8, 2003.

Answer and Cross-Claim of Respondent Unified Financial Securities, Inc. filed on or about: October 6, 2003.

Respondent Unified signed the Uniform Submission Agreement: October 6, 2003.

Motion to Dismiss Unified Financial Securities, Inc. filed on or about: December 31, 2003.

Claimant's Response to Respondent Unified Financial Securities Motion to Dismiss filed on or about: September 27, 2004.

Respondents' Motion for Forum Fees/Costs filed on or about: February 26, 2004.

Claimant's Response to Respondents' Motion for Forum Fees/Costs filed on or about: February 27, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: against Respondent Unified for controlling person liability pursuant to statute; breach of fiduciary duty; unsuitability; over concentration; failure to supervise; negligence; and, violation of Al St Section 8-6-19 (Ala. Code Section 8-6-19). The causes of action relate to Claimant's investments in unspecified stocks and funds.

Unless specifically admitted in their Answer, Respondents Waterstone and Urbik denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Respondent Unified denied the allegations made in the Statement of Claim and asserted various defenses. In addition, Respondent Unified asserted a cross-claim against Respondents Waterstone and Urbik for indemnification and/or contribution pursuant to the Fully Disclosed Clearing Agreement between Respondents Unified and Waterstone.

RELIEF REQUESTED

Claimant requested all of the losses caused by Respondents in excess of \$300,000.00; the lost earnings on her account; prejudgment interest at the maximum statutory rate; the costs of these proceedings, a reasonable attorneys' fee and punitive damages to be assessed by the arbitration panel; that Claimant be granted all other and further relief to which she may be entitled; and, that the arbitration panel submit a report of their findings to NASD.

Respondents Waterstone and Urbik requested that the Statement of Claim be dismissed and that Respondents Waterstone and Urbik be awarded all fees incurred in defending this action, together with such other and further relief as the arbitration panel deemed just and appropriate under the circumstances.

Respondent Unified requested that Claimant's claim against Respondent Unified be dismissed with prejudice, and that all costs and fees of this arbitration be assessed to Claimant; that with respect to Respondent Unified's cross-claim, the arbitration panel enter an award directing Respondent Waterstone to pay Respondent Unified an amount equal to Respondent Unified's attorneys' fees, costs and expenses incurred in defending this arbitration and to prosecute its cross-claim and such amount, if any, as the arbitration panel shall award Claimant against Respondent Unified; that if the arbitration panel should award Claimant any amount against Respondent Unified, that an award of contribution or indemnity in like amount be entered in favor of Respondent Unified and against Respondent Urbik; and, that Respondent Unified be awarded such other and further relief to which it may be entitled.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 18, 2003, Respondent Unified filed with NASD Dispute Resolution its Notice of Withdrawal of its cross-claim against Respondents Waterstone and Urbik.

On or about March 8, 2004, the arbitration panel issued an order which stated that with respect to the February 23, 2004 pre-hearing conference, Claimant shall pay all forum fees/costs imposed on Respondents by NASD and Claimant shall pay all reasonable attorneys' fees incurred by Respondents for the half hour Respondents' counsel spent attending the conference and for the half hour Respondents' counsel spent preparing Respondents' Motion for Forum Fees/Costs and related correspondence.

On or about September 27, 2004, in response to Respondent Unified's Motion to Dismiss, Claimant dismissed all claims against Respondent Unified.

Prior to the final hearing, Claimant dismissed all of her claims against Respondents and subsequently informed NASD Dispute Resolution that all claims had been fully settled, resolved and compromised thereby dismissing all of her claims against Respondent Waterstone. The parties filed a Stipulation and Notice of Dismissal with NASD Dispute Resolution which requested a dismissal of the arbitration proceeding. The parties also requested that the arbitration panel enter an Award recommending expungement of any and all references to the Claimant, the claims and these arbitration proceedings from the registration records of Respondents Urbik and Waterstone which are maintained by the NASD Central Registration Depository ("CRD").

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

AWARD

After considering the pleadings and the Stipulated Award, the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

All claims against Respondents are hereby dismissed with prejudice.

All parties shall bear their respective costs, including attorneys' fees.

Any and all relief not specifically addressed herein is denied.

The Panel recommends the expungement of any and all references to the Claimant, the claims and the above captioned arbitration proceedings from the registration records of Respondents Urbik and Waterstone maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents Urbik and Waterstone must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directives.

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	= \$300.00
Cross-claim filing fee	= \$1,000.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, Respondents Waterstone and Unified are member firms and parties and are assessed the following member fees:

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

January 11-14, 2005, Hearing Dates, joint adjournment request= \$1,125.00, Claimant agreed to pay the adjournment fee.

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 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 a single arbitrator @ \$450.00	= \$450.00
Pre-hearing conference: November 2, 2004	1 session
Three (3) Pre-hearing sessions with the Panel @ \$1,125.00	= \$3,375.00
Pre-hearing conferences: February 23, 2004	1 session
March 15, 2004	1 session
September 8, 2004	1 session
Total Forum Fees	= \$3,825.00

The Panel has assessed \$2,475.00 of the forum fees to Claimant.

The Panel has assessed \$1,125.00 of the forum fees jointly and severally to Respondents Unified, Urbik and Waterstone.

The Panel has assessed \$225.00 of the forum fees jointly and severally to Respondents Waterstone and Urbik.

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

Claimant is solely liable for:

Initial Filing Fee	= \$300.00
Adjournment Fee	= \$1,125.00
Forum Fees	= \$2,475.00

Total Fees	= \$3,900.00
Less payments	= \$1,425.00

Balance Due NASD Dispute Resolution	= \$2,475.00
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Respondent Waterstone is solely liable for:

Member Fees	= \$5,200.00
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Total Fees	= \$5,200.00
Less payments	= \$5,200.00

Balance Due NASD Dispute Resolution	= \$0.00
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Respondent Unified is solely liable for:

Cross-Claim Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00

Total Fees	= \$6,200.00
Less payments	= \$6,200.00

Balance Due NASD Dispute Resolution	= \$0.00
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Respondents Unified, Waterstone and Urbik are jointly and severally liable for:

Forum Fees	= \$1,125.00
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Total Fees	= \$1,125.00
Less payments	= \$0.00

Balance Due NASD Dispute Resolution	= \$1,125.00
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Respondents Waterstone and Urbik are jointly and severally liable for:

Forum Fees	= \$225.00
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Total Fees	= \$225.00
Less payments	= \$0.00

Balance Due NASD Dispute Resolution	= \$225.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Sonia Fishkin, Esq.	-	Public Arbitrator, Presiding Chair
Harriet H. Harris, Esq.	-	Public Arbitrator
Cheryl A. Hooks	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
Sonia Fishkin, Esq.
Public Arbitrator, Presiding Chair

August 19, 2005
Signature Date

_____/S/_____
Harriet H. Harris, Esq.
Public Arbitrator

August 18, 2005
Signature Date

_____/S/_____
Cheryl A. Hooks
Non-Public Arbitrator

August 18, 2005
Signature Date

_____August 22, 2005_____

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

Respondent Unified is solely liable for:

Cross-Claim Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00

Total Fees	= \$6,200.00
Less payments	= \$6,200.00

Balance Due NASD Dispute Resolution	= \$0.00
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Respondents Unified, Waterstone and Urbik are jointly and severally liable for:

Forum Fees	= \$1,125.00
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Total Fees	= \$1,125.00
Less payments	= \$0.00

Balance Due NASD Dispute Resolution	= \$1,125.00
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Respondents Waterstone and Urbik are jointly and severally liable for:

Forum Fees	= \$225.00
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Total Fees	= \$225.00
Less payments	= \$0.00

Balance Due NASD Dispute Resolution	= \$225.00
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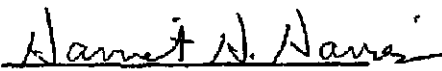
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Harriet H. Harris, Esq.	-	Public Arbitrator
Cheryl A. Hooks	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Sonia Fishkin, Esq.
Public Arbitrator, Presiding Chair


Harriet H. Harris, Esq.
Public Arbitrator

Signature Date


Signature Date

Respondent Unified is solely liable for:

Cross-Claim Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00

Total Fees	= \$6,200.00
Less payments	= \$6,200.00

Balance Due NASD Dispute Resolution	= \$0.00
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Respondents Unified, Waterstone and Urbik are jointly and severally liable for:

Forum Fees	= \$1,125.00
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Total Fees	= \$1,125.00
Less payments	= \$0.00

Balance Due NASD Dispute Resolution	= \$1,125.00
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Respondents Waterstone and Urbik are jointly and severally liable for:

Forum Fees	= \$225.00
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Total Fees	= \$225.00
Less payments	= \$0.00

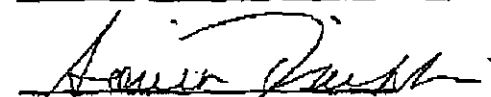
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ARBITRATION PANEL

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Harriet H. Harris, Esq.	•	Public Arbitrator
Cheryl A. Hooks	•	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Sonia Fishkin, Esq.
Public Arbitrator, Presiding Chair

Aug. 19, 2005
Signature Date

Harriet H. Harris, Esq.
Public Arbitrator

Signature Date

Cheryl A. Hooks

Cheryl A. Hooks
Non-Public Arbitrator

8-14-05

Signature Date

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