

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimants

Arnold Forseth and Janet Forseth

and

03-04959
Milwaukee, Wisconsin

Name of Respondents

Investors Advisory Group, Inc., Mark Neumann,
Raymond James Financial Services

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

REPRESENTATION OF PARTIES

Arnold Forseth and Janet Forseth ("**Claimants**") were represented by Sean Lanphier of Mallery & Zimmerman, S.C., located in Milwaukee, Wisconsin.

Investors Advisory Group, Inc., ("**AGI**"), Mark Neumann, ("**Neumann**"), and Raymond James Financial Services, ("**Raymond James**"), or , ("**Respondents**"), were represented by Gregory T. Everts, Esq., of Quarles & Brady, located in Madison, Wisconsin.

CASE INFORMATION

The Statement of Claim was filed on or about July 7, 2003. Claimants signed the Uniform Submission Agreement on September 16, 2003.

Respondents filed a joint Statement of Answer on or about September 18, 2003. Respondent Raymond James signed the Uniform Submission Agreement on July 4, 2003. IAG signed the Uniform Submission Agreement on September 2, 2003. Neumann signed the Uniform Submission Agreement on August 27, 2003.

CASE SUMMARY

Claimant alleged as follows: Breach of fiduciary duty; negligence; control person liability; Violation of Sections 551.31 of the Wisconsin Statutes; breach of contract; and false advertising; Claimants' causes of action are in connection with individual stocks, bonds, annuities, certificates of deposit and mutual funds.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated as follows: Claimants fail to state a cause of action against Respondents; the Statement of Claim against IAG should be dismissed because IAG had no service contract with the Claimants and is not a member of, nor subject to, the NASD or exchange rules; Claimants' claims are barred by the applicable statute of limitations; Claimants failed to act promptly and with due diligence to mitigate their damages; Claimants' claims are barred because they authorized the alleged conduct; Claimants have waived and/or are estopped from asserting these claims against Respondents by virtue of their own conduct; Claimants ratified the alleged conduct; Claimants are barred from recovery because they assumed the risks of the alleged conduct; Claimants have alleged no activity or specific conduct which constitutes fraud or breach of fiduciary duty; Claimants' negligence claims are barred by the doctrine of contributory negligence; Respondent Neumann's investment recommendations were suitable and made in good faith; Claimants received regular reports of their investment objectives; Claimants have no claim for damages after November 2000, after which time they did not give Mr. Neuman instructions to sell and failed to respond to repeated requests for a meeting from Mr. Neumann, who had no discretionary authority on the accounts and thus, required instructions from Claimants.

RELIEF REQUESTED

Claimant requested an award in the amount of \$422,000.00 in actual damages, interest, attorneys fees, punitive damages and costs.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

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 remains on file with the NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Investors Advisory Group, Inc., is solely liable for and shall pay to Claimants Arnold Forseth and Janet Forseth the sum of \$25,000.00 in compensatory damages plus interest at a rate of 5%, which shall begin to accrue on July 1, 2000 and shall cease to accrue when the award is paid in full;

2. Claimants Arnold Forseth's and Janet Forseth's claims against Raymond James Financial Services and Mark Neumann, are dismissed in their entirety with prejudice;
3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice; and,
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

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 event giving rise to the dispute. In this matter, the member firm is Raymond James Financial Services.

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 arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

2 Pre-hearing sessions with Panel	x	1,125.00	\$	2,250.00
March 22, 2004	1	Session		
June 17, 2004	1	Session		

9 Hearing sessions	x	1,125.00	\$	10,125.00
July 20, 2004	2	sessions		
July 21, 2004	2	sessions		
July 22, 2004	3	sessions		
July 23, 2004	2	sessions		
Total Forum Fees			\$	<u>12,375.00</u>

The Arbitration Panel has assessed \$6,187.50 of the forum fees to Claimant.

The Arbitration Panel has assessed \$6,187.50 of the forum fees to Respondents.

FEE SUMMARY

Claimants, Arnold Forseth and Janet Forseth shall be jointly and severally liable for:

Initial Filing Fee	= \$	300.00
<u>Forum Fees</u>	= \$	<u>6,187.00</u>
Total Fees	= \$	6,487.00
<u>Less payments</u>	= \$	<u>-1,425.00</u>
Balance Due NASD Dispute Resolution	= \$	5,062.00

Respondent, Raymond James Financial Services shall be and hereby is liable for:

Member Fees	= \$	5,200.00
Less Payments	= \$	<u>5,200.00</u>
Total Fees	= \$.00

Respondents Raymond James Financial Services, Investment Advisory Group, Inc., and Mark Neumann shall be jointly and severally liable for:

<u>Forum Fees</u>	= \$	<u>6,187.00</u>
Total Fees	= \$	<u>6,187.00</u>
<u>Less payments</u>	= \$	<u>.00</u>
Balance Due NASD Dispute Resolution	= \$	6,187.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Stanley H. Michelstetter, II - Public Arbitrator, Presiding Chair
John K. Notz, Jr., Esq. - Public Arbitrator
Howard N. Rubin - Non-Public Arbitrator

Concurring Arbitrators:

Stanley H. Michelstetter, II
Public Arbitrator, Presiding Chair

Signature Date

John K. Notz, Jr., Esq.
Public Arbitrator

Signature Date

Howard N. Rubin
Non-Public Arbitrator

Signature Date

Date of service

August 6, 2004

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Concurring Arbitrators:

Stanley H. Michelstetter
Stanley H. Michelstetter, II
Public Arbitrator, Presiding Chair

8/4/07
Signature Date

John K. Notz, Jr., Esq.
Public Arbitrator

Signature Date

Howard N. Rubin
Non-Public Arbitrator

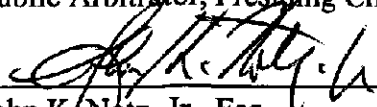
Signature Date

Date of service

August 6, 2004

Concurring Arbitrators:

Stanley H. Michelstetter, II
Public Arbitrator, Presiding Chair


John K. Notz, Jr., Esq.
Public Arbitrator

Signature Date

August 4, 2004
Signature Date

Howard N. Rubin
Non-Public Arbitrator

Signature Date

Date of service

August 6, 2004

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Concurring Arbitrators:

Stanley H. Michelstetter, II
Public Arbitrator, Presiding Chair

Signature Date

John K. Notz, Jr., Esq.
Public Arbitrator

Signature Date

Howard N. Rubin

Howard N. Rubin
Non-Public Arbitrator

8/6/04

Signature Date

Date of service _____

August 6, 2004