

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimant

Lance M. Hering

v.

04-02946
Denver, Colorado

Respondent

Stifel, Nicholas & Company, Inc.

Nature of Dispute: Associated Person v. Member

REPRESENTATION OF PARTIES

Lance M. Hering ("**Claimant**") was represented by Charles Brega, Esq., of Lindquist & Vennum, PLLP, Denver, Colorado.

Stifel, Nicholas & Company, Inc. ("**Respondent**") was represented by John V. McDermott, Esq., of Holme Roberts & Owen, LLP, Denver, Colorado.

CASE INFORMATION

The Statement of Claim was filed on or about April 15, 2004. The Submission Agreement of Claimant was signed on or about April 15, 2004.

The Statement of Answer was filed by Respondent, Stifel, Nicholas & Company, Inc., on or about June 30, 2004. The Submission Agreement of Respondent, Stifel, Nicholas & Company, Inc., was signed on or about April 30, 2004.

Respondent, Stifel, Nicholas & Company, Inc., filed a Motion to Strike Claimant's Statement of Claim and to Dismiss Claimant's case for his failure to comply with discovery rules and the Panel's Order regarding the same on or about April 7, 2005. Claimant filed a Response on or about April 11, 2005. Respondent filed a Reply in Support of its Motion on or about April 13, 2005.

CASE SUMMARY

Claimant asserted causes of action including the following: breach of a promissory note, breach of fiduciary duty, conversion, civil theft, violation of the Colorado Securities Act, securities fraud, promissory estoppel, and breach of employment contract. The causes of action related to Claimant's allegation that Respondent terminated him without cause. Claimant alleged that after terminating him, they also demanded that he repay a promissory note and seized and liquidated his IRA account.

Claimant asserted that by liquidating his IRA, he was unable to fund his IRA rollover in a timely fashion and as a result, incurred tax liabilities to the state and federal tax authorities. Claimant further alleged that after Respondent terminated him, he was unable to secure another position with an established brokerage.

Respondent denied the allegations set forth in the Statement of Claim and asserted affirmative defenses including the following: some or all of Claimant's claims are barred by the applicable statutes of limitation; and some or all of Claimant's claims failed to state a claim upon which relief can be granted.

RELIEF REQUESTED

Claimant requested an award of unspecified damages, plus interest, attorneys' fees, costs, and any other relief the panel deemed just and appropriate.

Respondent requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

On or about April 21, 2005, the panel entered an Order denying Respondent's Motion to Strike and Motion to Dismiss.

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 originals remain on file with 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. Claimant's claims, each and all, are hereby denied and dismissed with prejudice in their entirety;
2. 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

3. 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.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$ 250

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 Stifel, Nicholas & Company, Inc.

Member surcharge = \$ 1,500
Pre-hearing process fee = \$ 750
Hearing process fee = \$ 2,200

Adjournment Fees

Adjournments granted during these proceedings:

January 18-19, 2005 - Adjournment requested by Claimant = \$ 1,200
(Fee Waived by the Panel)

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:

Two (2) Pre-hearing sessions with Panel x \$ 1,000 = \$ 2,000

Pre-hearing conferences: 09/21/2004 1 session
01/18/2005 1 session

Four (4) Hearing sessions with Panel x \$ 1,000 = \$ 4,000

Hearing Dates: 05/10/2005 2 sessions
 05/11/2005 2 sessions

Total Forum Fees = \$ 6,000

The Arbitration Panel has assessed \$ 3,000 of the forum fees to Lance M. Hering

The Arbitration Panel has assessed \$ 3,000 of the forum fees to Stifel, Nicholas & Company, Inc.

FEE SUMMARY

Claimant, Lance M. Hering, is liable for:

Initial Filing Fee	= \$ 250
<u>Forum Fees</u>	= \$ 3,000
Total Fees	= \$ 3,250
<u>Less payments</u>	= \$ 1,250
Balance Due NASD Dispute Resolution	= \$ 3,000

Respondent, Stifel, Nicholas & Company, Inc., is liable for:

Member Fees	= \$ 4,450
<u>Forum Fees</u>	= \$ 3,000
Total Fees	= \$ 7,450
<u>Less payments</u>	= \$ 4,450
Balance Due NASD Dispute Resolution	= \$ 3,000

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

ARBITRATION PANEL

Donald P. Shwayder, Esq. - Public Arbitrator, Presiding Chair
Gregory D. Thomas, Esq. - Public Arbitrator
James J. Moylan, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

Donald P. Shwayder, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Gregory D. Thomas, Esq.
Public Arbitrator

Signature Date

James J. Moylan, Esq.
Non-Public Arbitrator

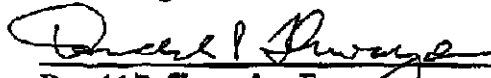
Signature Date

5/18/05
Date of Service (NASD use only)

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Public Arbitrator, Presiding Chair

MAY 17 2005
Signature Date

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Public Arbitrator

Signature Date

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Non-Public Arbitrator

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5/13/05

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Gregory D. Thomas, Esq.
Public Arbitrator

Signature Date



James J. Moylan, Esq.
Non-Public Arbitrator

5/16/05

Signature Date

5/12/05

Date of Service (NASD use only)