
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Michael G. Maida

Case No.: 04-04105

(consolidated with 04-04106 and 04-06134)

Names of the Respondents

Paragon Financial Group, Inc.
Bear Stearns Securities Corporation
Don W. Reinhard

Hearing Site: Tampa, Florida

In the Matter of the Arbitration Between:

Name of the Claimant

Karen Maida McCormick and Michael G. Maida

Case No.: 04-04106

(consolidated with 04-04105 and 04-06134)

Names of the Respondents

Paragon Financial Group, Inc.
Bear Stearns Securities Corporation
Don W. Reinhard

Hearing Site: Tampa, Florida

In the Matter of the Arbitration Between:

Name of the Claimant

Joseph N. Maida and Betty K. Maida

Case No.: 04-06134

(consolidated with 04-04105 and 04-04106)

Names of the Respondents

Paragon Financial Group, Inc.
Bear Stearns Securities Corporation
Don W. Reinhard

Hearing Site: Tampa, Florida

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

REPRESENTATION OF PARTIES

For Claimant Michael G. Maida, Claimant Karen Maida McCormick and Michael G. Maida, and Claimant Joseph N. Maida and Betty K. Maida, hereinafter collectively referred to as "Claimants": John R. Newcomer, Jr., Esq. and Michael J. Stanton, Esq., James, Hoyer, Newcomer & Smiljanich, P.A., Tampa, Florida.

For Respondent Paragon Financial Group, Inc. ("Paragon"): Alan R. Perry, Jr., Esq. and Jason R. Doss, Esq., Page Perry, LLC, Atlanta, Georgia. On or about November 4, 2005, the law firm of Page Perry, LLC, withdrew as counsel. Thereafter, R. William Lee, III, President of Respondent Paragon, appeared on behalf of Respondent Paragon.

For Respondent Bear Stearns Securities Corporation ("Bear Stearns"): Arthur D. Felsenfeld, Esq. and Antonette Ruocco, Esq., Andrews Kurth, LLP, New York, New York.

For Non-Party Magnolia Capital Advisors ("Magnolia"): Kelly A. O'Keefe, Esq. and Ginger L. Barry, Esq., Broad and Cassel, Tallahassee, Florida.

For Respondent Don W. Reinhard: Kelly A. O'Keefe, Esq. and Ginger L. Barry, Esq., Broad and Cassel, Tallahassee, Florida. On or about July 29, 2005, the law firm of Broad and Cassel withdrew and filed a Notice of Substitution of Counsel wherein J. Steven Carter, Esq., Henry, Buchanan, Hudson, Suber & Carter, P.A., Tallahassee, Florida appeared as substitute counsel for Respondent Reinhard.

CASE INFORMATION

The following pleadings were filed in **Case No. 04-04105**:

Statement of Claim filed on or about: June 10, 2004.

Claimant Michael G. Maida signed the Uniform Submission Agreement on: May 17, 2004.

Statement of Answer, Counterclaim and Cross Claim filed by Respondent Bear Stearns on or about: October 22, 2004.

Statement of Answer filed by Respondent Reinhard on or about: October 22, 2004.

Statement of Answer to Statement of Claim and Cross Claim filed by Respondent Paragon on or about: November 8, 2004.

Respondent Reinhard and Non-Party Magnolia's Motion to Dismiss Respondent Bear Stearns' Cross Claim filed on or about: November 12, 2004.

Respondent Bear Stearns' Response to Respondent Reinhard and Non-Party Magnolia's Motion to Dismiss Respondent Bear Stearns' Cross Claim filed on or about: December 6, 2004.

Respondent Reinhard and Non-Party Magnolia's Reply to Respondent Bear Stearns' Response to Motion to Dismiss Respondent Bear Stearns' Cross Claim filed on or about: December 16, 2004.

Counterclaim filed by Respondent Paragon on or about: November 4, 2005.

Respondent Paragon signed the Uniform Submission Agreement on: August 23, 2004.

Respondent Bear Stearns signed the Uniform Submission Agreement on: October 14, 2004.

Respondent Reinhard did not file an executed Uniform Submission Agreement.

The following pleadings were filed in **Case No. 04-04106**:

Statement of Claim filed on or about: June 9, 2004.

Claimant Karen Maida McCormick signed the Uniform Submission Agreement on: June 3, 2004

Claimant Michael D. Maida signed the Uniform Submission Agreement on: May 17, 2004.

Statement of Answer, Counterclaim and Cross Claim filed by Respondent Bear Stearns on or about: October 22, 2004.

Statement of Answer filed by Respondent Reinhard on or about: October 22, 2004.

Statement of Answer to Statement of Claim and Cross Claim filed by Respondent Paragon on or about: November 8, 2004.

Respondent Reinhard and Non-Party Magnolia's Motion to Dismiss Respondent Bear Stearns' Cross Claim filed on or about: November 12, 2004.

Respondent Bear Stearns' Response to Respondent Reinhard and Non-Party Magnolia's Motion to Dismiss Respondent Bear Stearns' Cross Claim filed on or about: December 6, 2004.

Respondent Reinhard and Non-Party Magnolia's Reply to Respondent Bear Stearns' Response to Motion to Dismiss Respondent Bear Stearns' Cross Claim filed on or about: December 16, 2004.

Respondent Paragon signed the Uniform Submission Agreement on: August 18, 2004.

Respondent Bear Stearns signed the Uniform Submission Agreement on: October 14, 2004.

Respondent Reinhard did not file an executed Uniform Submission Agreement.

The following pleadings were filed in **Case No. 04-06134**:

Statement of Claim filed on or about: August 25, 2004.

Claimant Joseph N. Maida signed the Uniform Submission Agreement on: August 16, 2004.

Claimant Betty K. Maida signed the Uniform Submission Agreement on: August 16, 2004.

Statement of Answer, Counterclaim and Cross Claim filed by Respondent Bear Stearns on or about: October 22, 2004.

Statement of Answer filed by Respondent Reinhard on or about: October 22, 2004.

Statement of Answer to Statement of Claim and Cross Claim filed by Respondent Paragon on or about: November 8, 2004.

Respondent Reinhard and Non-Party Magnolia's Motion to Dismiss Respondent Bear Stearns' Cross Claim filed on or about: November 12, 2004.

Respondent Bear Stearns' Response to Respondent Reinhard and Non-Party Magnolia's Motion to Dismiss Respondent Bear Stearns' Cross Claim filed on or about: December 6, 2004.

Respondent Reinhard and Non-Party Magnolia's Reply to Respondent Bear Stearns' Response to Motion to Dismiss Respondent Bear Stearns' Cross Claim filed on or about: December 16, 2004.

Respondent Paragon signed the Uniform Submission Agreement on: September 7, 2004.

Respondent Bear Stearns signed the Uniform Submission Agreement on: October 14, 2004.

Respondent Reinhard did not file an executed Uniform Submission Agreement

CASE SUMMARY

In Case No. 04-04105:

Claimant Michael G. Maida alleged the following causes of action in the Statement of Claim: 1) negligence by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 2) breach of fiduciary duty by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 3) fraudulent inducement by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 4) violation of Section 517.301, Florida Statutes, by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 5) gross negligence by Respondent Bear Stearns; and 6) failure to supervise by Respondents Bear Stearns and Paragon. The causes of action relate to investments on margin in various unspecified collateralized mortgage obligations.

Respondent Bear Stearns alleged a cause of action for breach of contract in its Counterclaim against Claimant Michael G. Maida to recover a debit balance owed by Claimant.

Respondent Bear Stearns alleged the following causes of action in its Cross Claim against Respondent Paragon, Respondent Reinhard and Non-Party Magnolia: 1) contribution; and 2) indemnification.

Respondent Paragon alleged a cause of action for unjust enrichment in its Counterclaim against Claimant Michael G. Maida and Claimant Karen Maida McCormick and Michael G. Maida. The cause of action relates to Respondent Paragon's payment of Claimants' negative equity balance.

Unless specifically admitted in its Statement of Answer, Respondent Paragon denied the allegations made in the Statement of Claim and Cross Claim and asserted various defenses.

Unless specifically admitted in its Statement of Answer, Respondent Bear Stearns denied the allegations made in the Statement of Claim and asserted various defenses.

Unless specifically admitted in his Statement of Answer, Respondent Reinhard denied the allegations made in the Statement of Claim and asserted various defenses.

Claimant did not file a Statement of Answer to Respondent Bear Stearns' Counterclaim or Respondent Paragon's Counterclaim.

In Case No. 04-04106:

Claimant Karen Maida McCormick and Michael G. Maida alleged the following causes of action in the Statement of Claim: 1) negligence by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 2) breach of fiduciary duty by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 3) fraudulent inducement by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 4) violation of Section 517.301, Florida Statutes, by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 5) gross negligence by Respondent Bear Stearns; and 6) failure to supervise by Respondents Bear Stearns and Paragon. The causes of action relate to investments on margin in various unspecified collateralized mortgage obligations.

Respondent Bear Stearns alleged a cause of action for breach of contract in its Counterclaim against Claimant Karen Maida McCormick and Michael G. Maida to recover a debit balance owed by Claimant.

Respondent Bear Stearns alleged the following causes of action in its Cross Claim against Respondent Paragon, Respondent Reinhard and Non-Party Magnolia: 1) contribution; and 2) indemnification.

Unless specifically admitted in its Statement of Answer, Respondent Paragon denied the allegations made in the Statement of Claim and Cross Claim and asserted various defenses.

Unless specifically admitted in his Statement of Answer, Respondent Reinhard denied the allegations made in the Statement of Claim and asserted various defenses.

In Case No. 04-06134:

Claimant Joseph N. Maida and Betty K. Maida alleged the following causes of action in the Statement of Claim: 1) negligence by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 2) breach of fiduciary duty by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 3) fraudulent inducement by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 4) violation of Section 517.301, Florida Statutes, by Respondent Reinhard, Respondent Paragon and Non-Party Magnolia; 5) gross negligence by Respondent Bear Stearns; and 6) failure to supervise by Respondents Bear Stearns and Paragon. The causes of action relate to investments on margin in various unspecified collateralized mortgage obligations.

Respondent Bear Stearns alleged a cause of action for breach of contract in its Counterclaim against Claimant Joseph N. Maida and Betty K. Maida to recover a debit balance owed by Claimant.

Respondent Bear Stearns alleged the following causes of action in its Cross Claim against Respondent Paragon, Respondent Reinhard and Non-Party Magnolia: 1) contribution; and 2) indemnification.

Unless specifically admitted in its Statement of Answer, Respondent Paragon denied the allegations made in the Statement of Claim and Cross Claim and asserted various defenses.

Unless specifically admitted in his Statement of Answer, Respondent Reinhard denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

In Case No. 04-04105:

Claimant Michael G. Maida requested: 1) compensatory damages in the amount between \$500,000.01 and \$1,000,000.00; 2) statutory damages; 3) punitive damages; 4) interest; 5) costs; 6) attorneys' fees; 7) dismissal of Respondent Paragon's Counterclaim; and 8) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondent Paragon requested: 1) dismissal of the Statement of Claim; 2) dismissal of Respondents Bear Stearns' Cross Claim; 3) attorneys' fees; and 4) reimbursement of \$93,000.00 from Claimant Michael G. Maida and from Claimant Karen Maida McCormick and Michael G. Maida pursuant to Respondent Paragon's Counterclaim.

Respondent Bear Stearns requested: 1) dismissal of the Statement of Claim; 2) compensatory damages in the amount of \$80,300.00 in its Counterclaim against Claimant Michael G. Maida; 3) costs in its Counterclaim against Claimant; 4) indemnification and contribution for any losses in its Cross Claim against Respondent Paragon, Non-Party Magnolia and Respondent Reinhard; 5) costs and expenses in its Cross Claim against Respondent Paragon, Non-Party Magnolia and Respondent Reinhard; and 6) attorneys' fees in its Cross Claim against Respondent Paragon, Non-Party Magnolia and Respondent Reinhard.

Non-Party Magnolia requested: 1) dismissal of the Statement of Claim; and 2) dismissal of the Cross Claim.

Respondent Reinhard requested: 1) judgment in his favor and against Claimant Michael G. Maida; 2) an award of fees pursuant to Section 517.211, Florida Statutes; 3) dismissal of the Cross Claim; and 4) that Respondent Bear Stearns should be held liable for any losses sustained by Claimant when Respondent Bear Stearns liquidated Claimant's account, including all fees and costs.

In Case No. 04-04106:

Claimant Karen Maida McCormick and Michael G. Maida requested: 1) compensatory damages in the amount between \$100,000.01 and \$500,000.00; 2) statutory damages; 3) punitive damages; 4) interest; 5) costs; 6) attorneys' fees; and 7) such other relief the Panel deemed just and proper.

Respondent Paragon requested: 1) dismissal of the Statement of Claim; 2) dismissal of Respondents Bear

Stearns' Cross Claim; and 3) attorneys' fees.

Respondent Bear Stearns requested: 1) dismissal of the Statement of Claim; 2) compensatory damages in the amount of \$15,100.00 in its Counterclaim against Claimant Karen Maida McCormick and Michael G. Maida; 3) costs in its Counterclaim against Claimant; 4) indemnification and contribution for any losses in its Cross Claim against Respondent Paragon, Non-Party Magnolia and Respondent Reinhard; 5) costs and expenses in its Cross Claim against Respondent Paragon, Non-Party Magnolia and Respondent Reinhard; and 6) attorneys' fees in its Cross Claim against Respondent Paragon, Non-Party Magnolia and Respondent Reinhard.

Non-Party Magnolia requested: 1) dismissal of the Statement of Claim; and 2) dismissal of the Cross Claim.

Respondent Reinhard requested: 1) judgment in his favor and against Claimant; 2) an award of fees pursuant to Section 517.211, Florida Statutes; 3) dismissal of the Cross Claim; and 4) that Respondent Bear Stearns should be held liable for any losses sustained by Claimant Karen Maida McCormick and Michael G. Maida when Respondent Bear Stearns liquidated Claimant's account, including all fees and costs.

In Case No. 04-06134:

Claimant Joseph N. Maida and Betty K. Maida requested: 1) compensatory damages in the amount between \$50,000.01 and \$100,000.00; 2) statutory damages; 3) punitive damages; 4) interest; 5) costs; 6) attorneys' fees; and 7) such other relief the Panel deemed just and proper.

Respondent Paragon requested: 1) dismissal of the Statement of Claim; 2) dismissal of Respondents Bear Stearns' Cross Claim; and 3) attorneys' fees.

Respondent Bear Stearns requested: 1) dismissal of the Statement of Claim; 2) compensatory damages in the amount of \$3,900.00 in its Counterclaim against Claimant Joseph N. Maida and Betty K. Maida; 3) costs in its Counterclaim against Claimant; 4) indemnification and contribution for any losses in its Cross Claim against Respondent Paragon, Non-Party Magnolia and Respondent Reinhard; 5) costs and expenses in its Cross Claim against Respondent Paragon, Non-Party Magnolia and Respondent Reinhard; and 6) attorneys' fees in its Cross Claim against Respondent Paragon, Non-Party Magnolia and Respondent Reinhard.

Non-Party Magnolia requested: 1) dismissal of the Statement of Claim; and 2) dismissal of the Cross Claim.

Respondent Reinhard requested: 1) judgment in his favor and against Claimant; 2) an award of fees pursuant to Section 517.211, Florida Statutes; 3) dismissal of the Cross Claim; and 4) that Respondent Bear Stearns should be held liable for any losses sustained by Claimant Joseph N. Maida and Betty K. Maida when Respondent Bear Stearns liquidated Claimant's account, including all fees and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Reinhard did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements in Case Nos. 04-04105, 04-4106 and 04-06134 but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure and, having answered the claim, appeared and testified at the hearing,

is bound by the determination of the Panel on all issues submitted.

Non-Party Magnolia is not a member of NASD and is not required to submit to arbitration before NASD Dispute Resolution. On or about September 13, 2004, Non-Party Magnolia declined to submit to arbitration. Therefore, the Panel made no determination with respect to Non-Party Magnolia.

On or about September 13, 2004, Respondent Reinhard requested consolidation of Case Nos. 04-04105, 04-4106 and 04-06134. On or about September 23, 2004, Respondent Paragon filed its response in support of the motion to consolidate. On or about October 1, 2004, Respondent Bear Stearns filed its response in support of the motion to consolidate. On or about October 11, 2004, Claimants filed an objection to the motion to consolidate. On or about January 19, 2005, the Panel granted the motion and consolidated Case Nos. 04-04105, 04-4106 and 04-06134.

On or about October 27, 2005, Claimants filed a notice of settlement and dismissal of claims against Respondent Bear Stearns, Non-Party Magnolia and Respondent Reinhard.

On or about November 3, 2005, Respondent Bear Stearns filed its notice of dismissal, with prejudice, of its Cross Claim against Respondent Paragon.

On or about November 4, 2005, Claimant Joseph N. Maida and Betty K. Maida filed a notice of dismissal, with prejudice, as to Respondent Paragon.

On or about November 4, 2005, Claimant Karen Maida McCormick and Michael G. Maida filed a notice of dismissal, with prejudice, solely as to Count IV for violation of Section 517.301, Florida Statutes, as to Respondent Paragon.

On or about November 4, 2005, Respondent Paragon filed its motion for leave to file Counterclaim with proposed Counterclaim. On or about November 6, 2004, Claimants filed their opposition to the motion. At the evidentiary hearing, the Panel granted the motion and accepted the Counterclaim.

On or about November 11, 2005, Respondent Bear Stearns filed its notice of settlement in the above-captioned arbitration proceeding, and pursuant to the settlement, Respondent Bear Stearns dismissed its Counterclaims against Claimants and its Cross Claim against Respondent Reinhard.

At the evidentiary hearing, Claimants Michael Maida and Karen Maida McCormick made an oral motion to dismiss Respondent Paragon's Counterclaim. Respondent Paragon opposed the motion. Thereafter, the Panel granted the motion and dismissed, with prejudice, Respondent Paragon's Counterclaim.

The parties 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, the testimony and evidence presented at the hearing, and the post-hearing

submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant Michael G. Maida's claims against Respondent Paragon are denied in their entirety except as to the claim under Chapter 517, Florida Statutes. The Panel makes no determination with respect to Claimant Michael G. Maida's claim under Chapter 517, Florida Statutes, as Claimant Michael G. Maida dismissed, with prejudice, his claim under Chapter 517, Florida Statutes, prior to the evidentiary hearing.
2. Claimant Michael G. Maida's requests for punitive damages and attorneys' fees against Respondent Paragon are denied.
3. Claimant Karen Maida McCormick and Michael G. Maida's claims against Respondent Paragon are denied in their entirety except as to the claim under Chapter 517, Florida Statutes. The Panel makes no determination with respect to Claimant Karen Maida McCormick and Michael G. Maida's claim under Chapter 517, Florida Statutes, as Claimant Karen Maida McCormick and Michael G. Maida dismissed, with prejudice, their claim under Chapter 517, Florida Statutes, prior to the evidentiary hearing.
4. Claimant Karen Maida McCormick and Michael G. Maida's requests for punitive damages and attorneys' fees against Respondent Paragon are denied.
5. Respondent Paragon's Counterclaim against Claimant Michael G. Maida is dismissed, with prejudice.
6. Respondent Paragon's Counterclaim against Claimant Michael G. Maida and Karen Maida McCormick is dismissed, with prejudice.
7. Respondent Paragon's request for attorneys' fees is denied.
8. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed in **Case No. 04-04105**:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 375.00
Counterclaim/Cross Claim filing fee - Bear Stearns	= \$1,250.00
Counterclaim filing fee - Paragon	= \$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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondent Bear Stearns is a member and a party, and Respondent Paragon was a member and is a party.

Member surcharge	= \$2,250.00
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Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed in Case No. 04-04105.

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:

There were no three-day cancellation fees assessed during these proceedings in Case No. 04-04105.

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.

There were no injunctive relief fees assessed during these proceedings in Case No. 04-04105.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$1,200.00 per session	= \$1,200.00
Pre-hearing conference: January 19, 2005 1 session	

Seven (7) Hearing sessions @ \$1,200.00 per session	= \$8,400.00
Hearing Dates: November 7, 2005	2 sessions
November 8, 2005	2 sessions
November 9, 2005	2 sessions
November 10, 2005	1 session

Total Forum Fees	= \$9,600.00
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The Panel has assessed forum fees in the amount of \$4,800.00 jointly and severally to Claimant Michael G. Maida and Claimant Karen Maida McCormick and Michael G. Maida.

The Panel has assessed forum fees in the amount of \$4,800.00 to Respondent Paragon.

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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings in Case No. 04-04105.

Pursuant to the Code, the following fees are assessed in **Case No. 04-04106**:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 300.00
Counterclaim/Cross Claim filing fee – Bear Stearns	= \$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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondent Bear Stearns is a member and a party, and Respondent Paragon was a member and is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed in Case No. 04-04106.

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:

There were no three-day cancellation fees assessed during these proceedings in Case No. 04-04106.

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.

There were no injunctive relief fees assessed during these proceedings in Case No. 04-04106.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

There were no forum fees assessed during these proceedings in Case No. 04-04106.

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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings in Case No. 04-04106.

Pursuant to the Code, the following fees are assessed in **Case No. 04-06134**:

Filing Fees

NASD will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 225.00
Counterclaim/Cross Claim filing fee – Bear Stearns	= \$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 that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Respondent Bear Stearns is a member and a party, and Respondent Paragon was a member and is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed in Case No. 04-06134.

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:

There were no three-day cancellation fees assessed during these proceedings in Case No. 04-06134.

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.

There were no injunctive relief fees assessed during these proceedings in Case No. 04-06134.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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:

There were no forum fees assessed during these proceedings in Case No. 04-06134.

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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings in Case No. 04-06134.

Fee Summary

In Case No. 04-04105, Claimant Michael G. Maida is solely severally liable for:

Initial Filing Fee	= \$ 375.00
Total Fees	= \$ 375.00
Less payments	= \$ 375.00
Balance Due NASD Dispute Resolution	= \$ 0.00

In Case No. 04-04105, Claimant Michael G. Maida and Claimant Karen Maida McCormick and Michael G. Maida are jointly and severally liable for:

Forum Fees	= \$ 4,800.00
Total Fees	= \$ 4,800.00
Less payments	= \$ 2,325.00
Balance Due NASD Dispute Resolution	= \$ 2,475.00

In Case No. 04-04105, Respondent Paragon is solely liable for:

Counterclaim Filing Fee	= \$ 1,000.00
Member Fees	= \$ 8,000.00
Forum Fees	= \$ 4,800.00
Total Fees	= \$13,800.00
Less payments	= \$ 5,000.00
Balance Due NASD Dispute Resolution	= \$ 8,800.00

In Case No. 04-04105, Respondent Bear Stearns is solely liable for:

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Counterclaim/Cross Claim Filing Fee	= \$ 1,250.00
Member Fees	= \$ 8,000.00
Total Fees	= \$ 9,250.00
Less payments	= \$ 9,250.00
Balance Due NASD Dispute Resolution	= \$ 0.00

In Case No. 04-04106, Claimant Karen Maida McCormick and Michael G. Maida is solely liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

In Case No. 04-04106, Respondent Paragon is solely liable for:

Member Fees	= \$ 2,450.00
Total Fees	= \$ 2,450.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,450.00

In Case No. 04-04106, Respondent Bear Stearns is solely liable for:

Counterclaim/Cross Claim Filing Fee	= \$ 1,000.00
Member Fees	= \$ 2,450.00
Total Fees	= \$ 3,450.00
Less payments	= \$ 3,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00

In Case No. 04-06134, Claimant Joseph N. Maida and Betty K. Maida is solely liable for:

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

In Case No. 04-06134, Respondent Paragon is solely liable for:

Member Fees	= \$ 1,850.00
Total Fees	= \$ 1,850.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,850.00

In Case No. 04-06134, Respondent Bear Stearns is solely liable for:

Counterclaim/Cross Claim Filing Fee	= \$ 1,000.00
Member Fees	= \$ 1,850.00
Total Fees	= \$ 2,850.00
Less payments	= \$ 2,850.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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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

<i>Beverly S. Gordon, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>William J. Capito, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Joseph D. Valenti</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

_____/s/_____
Beverly S. Gordon, Esq.
Public Arbitrator, Presiding Chairperson

November 15, 2005
Signature Date

_____/s/_____
William J. Capito, Esq.
Public Arbitrator

November 14, 2005
Signature Date

_____/s/_____
Joseph D. Valenti
Non-Public Arbitrator

November 14, 2005
Signature Date

November 15, 2005
Date of Service (For NASD Dispute Resolution office use only)

NASD Dispute Resolution
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(consolidated w/04-04106 and 04-06134)
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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

<i>Beverly S. Gordon, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>William J. Capito, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Joseph D. Valenti</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Beverly S. Gordon, Esq.
Public Arbitrator, Presiding Chairperson

Beverly S. Gordon, Esq. 11/15/05

Signature Date

William J. Capito, Esq.
Public Arbitrator

Signature Date

Joseph D. Valenti
Non-Public Arbitrator

Signature Date

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

Nov. 14, 2005
Nov 14 2005

No. 5164
No 4699

NASD Dispute Resolution
Arbitration No. 04-04105
(consolidated w/04-04106 and 04-06134)
Award Page 15

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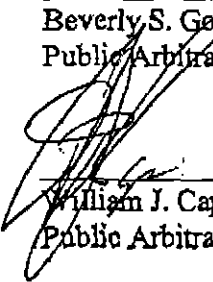
ARBITRATION PANEL

<i>Beverly S. Gordon, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>William J. Capito, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Joseph D. Valenti</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Beverly S. Gordon, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



William J. Capito, Esq.
Public Arbitrator

11/14/05

Signature Date

Joseph D. Valenti
Non-Public Arbitrator

Signature Date

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

Nov. 14. 2005 3:33PM NASD

NASD Dispute Resolution
Arbitration No. 04-04105
(consolidated w/ 04-04106 and 04-06134)
Award Page 15

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ARBITRATION PANEL

<i>Beverly S. Gordon, Esq.</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>William J. Capito, Esq.</i>	-	<i>Public Arbitrator</i>
<i>Joseph D. Valenti</i>	-	<i>Non-Public Arbitrator</i>

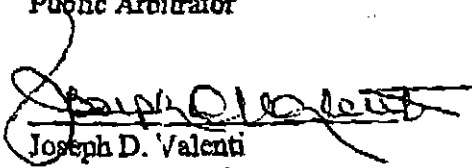
Concurring Arbitrators' Signatures

Beverly S. Gordon, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

William J. Capito, Esq.
Public Arbitrator

Signature Date


Joseph D. Valenti
Non-Public Arbitrator

11/14/05
Signature Date

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