

**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Marian C. Caray, Individually and as
Trustee of the Marian C. Caray Revocable Living
Trust, Effie M. Kressaty, Individually and
as Trustee of the Effie Kressaty Rev. Trust, and
Kamille A. Kressaty,
Claimants.

Case Number: - 04-04126

Hearing Site: St. Louis, Missouri

v.

Royal Alliance Associates, Inc., Pines Financial Group
and Salvatore Michael Culella,
Respondents.

NATURE OF THE DISPUTE

Customer vs. Member Firm, Non-Member and Associated Person

REPRESENTATION OF PARTIES

Claimants, Marian C. Caray ("Caray"), Effie M. Kressaty and Kamille A. Kressaty (the "Kressatys"), hereinafter collectively referred to as "Claimants": John J. Miller, Esq. of Kansas City, Missouri and William B. Lagenbacher, Esq. of St. Louis, Missouri.

Respondents, Royal Alliance Associates, Inc. ("Royal Alliance"), Pines Financial Group, Inc. ("Pines Financial") and Salvatore Michael Culella ("Culella"), hereinafter collectively referred to as "Respondents": Gary M. Saretsky, Esq. of the law firm Schram & Saretsky, P.C., located in Bloomfield Hills, Michigan.

CASE INFORMATION

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

Claimant Caray signed the Uniform Submission Agreement: June 8, 2004

Claimant, Effie Kressaty, signed the Uniform Submission Agreement: June 8, 2004

Claimant, Kamille Kressaty, signed the Uniform Submission Agreement: June 8, 2004

Statement of Answer and Motion to Sever jointly filed by Respondents, Royal Alliance, Pines Financial and Culella on or about: September 13, 2004

Respondent Royal Alliance signed the Uniform Submission Agreement: October 15, 2004

Respondent Pines Financial signed the Uniform Submission Agreement: October 19, 2004

Respondent Culella signed the Uniform Submission Agreement: October 19, 2004

Claimants filed a Response to Respondents' Motion to Sever on: September 24, 2004.

Respondents filed a Brief in Reply to Claimants' Response to Motion to Sever on: November 17, 2004

CASE SUMMARY

Claimants asserted the following causes of action: misrepresentation, omission, negligence, breach of fiduciary duty and breach of Missouri's Uniform Securities Act. The causes of action relate to various securities, including Davis New York Venture Fund and Seligman Communication and Information Fund. Claimants asserted that these were unsuitable investments and did not meet their financial objectives.

Unless specifically admitted in its Answer, Respondents, Royal Alliance, Pines Financial and Culella, denied the allegations made in the Statement of Claim and asserted that all the investments were suitable, that all transactions were authorized and ratified, and Claimants were fully informed.

RELIEF REQUESTED

Claimants, Caray and the Kressatys, requested \$207,422.00 in compensatory damages; disgorgement of commissions, fees, margin interest and any other monies received by Respondents; reimbursement of unanticipated income taxes paid as a result of Respondents' transactions; punitive damages; costs and expenses, attorney's fees and for such other relief as the Panel deems just and proper.

Respondents, Royal Alliance, Pines Financial and Culella, requested dismissal of Claimants' claims, and an award of costs and attorneys' fees incurred in the defense of this matter.

OTHER ISSUES CONSIDERED AND DECIDED

In an Order dated November 29, 2004 regarding Respondents' Motion to Sever and responses filed thereto, the Panel ordered as follows:

Respondents' Motion to Sever is granted in part and denied in part:

1. Each claim of the Claimants' case shall be tried separately with the present panel since there is no request for a new panel or panels.
2. Each Claimant, Marian C. Caray, individually as trustee; and Effie M. Kressaty, individually and as trustee; and Kamille A. Kressaty, shall present her case separately.
3. Sequestration shall be allowed, if requested.
4. If expert testimony is offered, such expert may testify once.
5. Respondents shall present their defenses and response after each case presented by Claimants.
6. At some point during the hearing, Claimants and Respondents shall offer a damage computation.
7. The aforesaid conditions are subject to such other agreement the parties may reach with the approval by the Chairman as to the order of presentations.

On July 13, 2005, Claimants dismissed all claims against Respondent, Salvatore M. Culella, with prejudice.

The Panel has been informed that the parties have agreed to resolve this matter. However, Claimants and Respondents jointly ask the Panel to make a specific finding that there were no sales practice violations or wrongdoing or other liability attributable to Culella and enter an

Award requiring the expungement of all reference to the above-captioned arbitration from all registration records of Respondent, Culella, maintained by the NASD Central Registration Depository ("CRD"), with the understanding that, pursuant to NASD Notice to Members 04-16, Respondents must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

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.

AWARD

After considering the parties' submissions and representations, and having heard the parties' arguments for a finding of facts, the undersigned arbitrators order as follows:

- 1.) Any and all claims have been withdrawn, the same are hereby dismissed with prejudice and without costs, except as costs as specified below.
- 2.) The Panel finds no sales practice violations or any other wrongdoing by Respondent Culella, and orders the expungement of any and all references to the above-referenced arbitration from Culella's registration records maintained by the CRD, with the understanding that, pursuant to NASD Notice to Members 04-16, Respondents must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds; or

- 3.) Any and all relief requested by Claimants, including punitive damages, interest and attorney's fees, are hereby denied and 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 = \$ 300.00

Adjournment Fees

Adjournments requested during these proceedings:

July 7-9, 2005, adjournment by the parties to mediate outside NASD = \$1,125.00
(waived by the Panel)

July 12-15, 2005, adjournment by Respondent

= \$1,125.00
(waived by the Panel)

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 a party.

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

Forum Fees and Assessments

The 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:

One (1) Pre-hearing session with Panel x \$1,125.00 = \$1125.00

Pre-hearing conferences: November 19, 2004 1 session
December 13, 2005 1 session

Total Forum Fees = \$2,250.00

1. The Panel assessed 50% of the total forum fees in the amount of \$1,125.00 jointly and severally to Claimants, Marian C. Caray, Effie M. Kressaty and Kamille A. Kressaty.
2. The Panel assessed 50% of the total forum fees in the amount of \$1,125.00 jointly and severally to Respondents, Royal Alliance Associates, Inc. and Pines Financial Group, Inc.

FEE SUMMARY

Claimants, Caray and the Kressatys, are hereby jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
Forum fees	= \$1,125.00
Total Fees	= \$1,425.00
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, Royal Alliance Associates, Inc. is hereby solely liable for:

Member Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Royal Alliance Associates, Inc. and Pines Financial Group, Inc. are hereby jointly and severally liable for:

Forum Fees	= \$1,125.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,125.00

All balances are due to NASD Dispute Resolution.

ARBITRATION PANEL

Thomas J. Ray, Esq.	-	Public Arbitrator, Presiding Chairperson
David P. Oetting, Esq.	-	Public Arbitrator
Marvin L. Frazier, Jr.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/ Thomas J. Ray, Esq.
Thomas J. Ray, Esq.
Public Arbitrator, Presiding Chair

12/13/05
Signature Date

/s/ David P. Oetting, Esq.
David P. Oetting, Esq.
Public Arbitrator

12/13/05
Signature Date

/s/ Marvin Frazer, Jr.
Marvin L. Frazier, Jr.
Non-Public Arbitrator

12/15/05
Signature Date


12/16/05
Date of Service (For NASD office use only)

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Public Arbitrator, Presiding Chair

12/13/05

Signature Date

David P. Oetting, Esq.
Public Arbitrator

Signature Date

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NASD Dispute Resolution
Arbitration 04-04126
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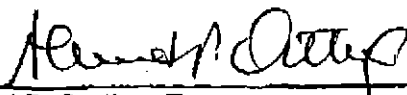
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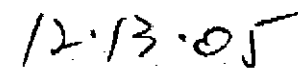
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12/15/05

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