
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Elaine A. Balint and Alexander M. Balint,
and Gary Farmer and Jo Farmer

Case Number: 04-06430

Names of the Respondents

SAL Financial Services, Inc.,
Sterne, Agee and Leach, Inc.,
Aliant Financial Services Corporation

Hearing Site: Atlanta, Georgia

Nature of the Dispute: Customer vs. Member.

REPRESENTATION OF PARTIES

For Elaine A. Balint and Alexander M. Balint ("the Balints") and Gary Farmer and Jo Farmer ("the Farmers"), hereinafter collectively referred to as "Claimants": Michael Huberman, Esq., Huberman and Associates, Boca Raton, Florida.

For SAL Financial Services, Inc. ("SAL"), Sterne, Agee and Leach, Inc. ("Sterne"), and Aliant Financial Services Corporation ("Aliant"), hereinafter collectively referred to as "Respondents": Dorothy R. Drake, Esq. and Thomas Krebs, Esq., Haskell Slaughter Young and Rediker, LLC, Birmingham, Alabama.

CASE INFORMATION

Statement of Claim filed on or about: September 8, 2004.

Claimants signed, but did not date, the Uniform Submission Agreement.

Statement of Answer filed by Respondents on or about: February 15, 2004.

Respondent SAL signed the Uniform Submission Agreement: January 18, 2004.

Respondent Sterne signed the Uniform Submission Agreement: January 18, 2004.

Respondent Aliant signed the Uniform Submission Agreement: January 20, 2006.

Outline for Motion to Dismiss filed by Respondents on or about: June 16, 2005.

Opposition to Respondents' Motion to Dismiss filed by Claimants on or about: June 22, 2005.

Response to Claimants' Opposition to Respondents' Motion to Dismiss filed by Respondents on or about: June 27, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: 1) breach of fiduciary duty; 2) negligence; 3) breach of contract; 4) failure to supervise and control; 5) misrepresentation and statements of omission; 6) violation of federal and state securities laws; 7) NASD Rules of Fair Practice; and 8) NYSE Rules. The causes of action relate to: 1) Claimants' investments in various technology sector stocks, including, but not limited to, Lucent Technologies, Alcatel, Liberate Technologies,

Siebel Systems, Calpine, and Agilent Technologies; 2) unspecified unit investment trusts; and 3) use of margin trading in Claimants' accounts.

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

RELIEF REQUESTED

Claimants requested damages and recovery against Respondents as follows: 1) general and compensatory damages not less than \$500,000.00; 2) punitive damages; 3) the costs of proceedings; 4) interest at the legal rate on all sums recovered; 5) attorney's fees under the Code of Alabama Section 8-6-19; and, 6) such further relief as this Panel deemed just and proper.

Respondents requested that the Panel deny that Claimants are entitled to any of the relief specified in the *ad damnum* clause of the Statement of Claim, including, but not limited to: 1) general and compensatory damages; 2) punitive damages; 3) the costs of proceedings; 4) interest; and, 5) attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 7, 2005, the Panel issued an order granting Respondents' Motion to Dismiss except for the breach of contract claims in paragraphs 68 and 69 of the Statement of Claim.

During the evidentiary hearing, Respondents moved for a directed verdict as to Respondent Gary Farmers' claims. The Panel's ruling was merged into the award and was not specifically ruled on.

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, evidence and testimony presented at the evidentiary hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

All of Claimants' claims for relief, including Claimants' requests for punitive damages and attorney's fees, are denied.

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

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. Accordingly, Respondents SAL and Sterne are parties and member firms. Respondent Aliant is a party and was a member firm at the time of the event(s) giving rise to the dispute.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No requests for adjournments were filed in this matter for which fees were assessed.

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.

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.

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:

Three (3) Pre-hearing sessions with the Panel @ \$1,125.00/session	= \$3,375.00
Pre-hearing conferences:	
May 27, 2005	1 session
June 8, 2005	1 session
December 7, 2005	1 session
Nine (9) Hearing Sessions with the Panel @ \$1,125.00/session	= \$10,125.00
Hearing Dates:	
January 30, 2006	2 sessions
January 31, 2006	2 sessions
February 1, 2006	2 sessions
February 2, 2006	2 sessions
February 3, 2006	1 session
Total Forum Fees	= \$13,500.00

The Panel has assessed forum fees in the amount of \$3,375.00 to the Balints, jointly and severally.

The Panel has assessed forum fees in the amount of \$3,375.00 to the Farmers, jointly and severally.

The Panel has assessed forum fees in the amount of \$6,750.00 to Respondents, jointly and severally.

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.

Fee Summary

Claimants are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less Payments</u>	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

The Balints are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 3,375.00
<u>Total Fees</u>	= \$ 3,375.00
<u>Less payments</u>	= \$ 562.50
Balance Due NASD Dispute Resolution	= \$ 2,812.50

The Farmers are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 3,375.00
<u>Total Fees</u>	= \$ 3,375.00
<u>Less payments</u>	= \$ 562.50
Balance Due NASD Dispute Resolution	= \$ 2,812.50

Respondent SAL is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Sterne is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent Aliant is solely liable for:

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

Respondents are jointly and severally liable for:

Forum Fees	= \$ 6,750.00
Total Fees	= \$ 6,750.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 6,750.00

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

ARBITRATION PANEL

Charles M. Dalziel, Jr., Esq.
Richard F. Benjamin, Jr.
Lisa V. Gianneschi, Esq.

Non-Public Arbitrator, Presiding Chairperson
Public Arbitrator
Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Charles M. Dalziel, Jr., Esq.
Non-Public Arbitrator, Presiding Chairperson

February 6, 2006
Signature Date

/s/
Richard F. Benjamin, Jr.
Public Arbitrator

February 6, 2006
Signature Date

/s/
Lisa V. Gianneschi, Esq.
Public Arbitrator

February 6, 2006
Signature Date

February 6, 2006

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

Respondent Aliant is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 6,750.00
<u>Total Fees</u>	= \$ 6,750.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 6,750.00

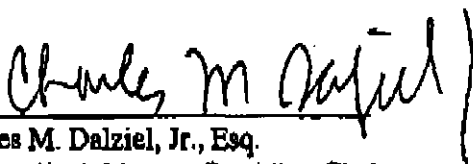
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Charles M. Dalziel, Jr., Esq.
Richard F. Benjamin, Jr.
Lisa V. Gianneschi, Esq.

Non-Public Arbitrator, Presiding Chairperson
Public Arbitrator
Public Arbitrator

Concurring Arbitrators' Signatures


Charles M. Dalziel, Jr., Esq.
Non-Public Arbitrator, Presiding Chairperson

2-6-05
Signature Date

Richard F. Benjamin, Jr.
Public Arbitrator

Signature Date

Lisa V. Gianneschi, Esq.
Public Arbitrator

Signature Date

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

Respondent Aliant is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 6,750.00
<u>Total Fees</u>	= \$ 6,750.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 6,750.00

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

ARBITRATION PANEL

Charles M. Dalziel, Jr., Esq.
Richard F. Benjamin, Jr.
Lisa V. Gianneschi, Esq.

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

Charles M. Dalziel, Jr., Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Richard F. Benjamin, Jr.

Richard F. Benjamin, Jr.
Public Arbitrator

6 February 2000

Signature Date

Lisa V. Gianneschi, Esq.
Non-Public Arbitrator

Signature Date

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

Respondent Aliant is solely liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 5,200.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 6,750.00
<u>Total Fees</u>	= \$ 6,750.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 6,750.00

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

ARBITRATION PANEL

Charles M. Dalziel, Jr., Esq.
Richard F. Benjamin, Jr.
Lisa V. Gianneschi, Esq.

Public Arbitrator, Presiding Chairperson
Public Arbitrator
Public Arbitrator

Concurring Arbitrators' Signatures

Charles M. Dalziel, Jr., Esq.
Non-Public Arbitrator, Presiding Chairperson

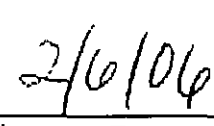
Signature Date

Richard F. Benjamin, Jr.
Public Arbitrator

Signature Date



Lisa V. Gianneschi, Esq.
Public Arbitrator



Signature Date

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