

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Names of Claimants

Clyde J. and Marvelyn J. Cornell

and

Case Number: 04-07583
Hearing Site: Milwaukee, Wisconsin

Names of Respondents

Landenburg Thalman & Co., Inc.
and Gene Sal Cicero

NATURE OF DISPUTE

Customers v. Member Firm and Associated Person

REPRESENTATION OF PARTIES

Clyde J. and Marvelyn J. Cornell ("Claimants") were represented by George Burnett, Esq., Liebman, Conway, Olejniczak & Jerry, S.C., Green Bay, Wisconsin.

Landenburg Thalman & Co., Inc. ("Landenburg") and Gene Sal Cicero ("Cicero"), hereinafter collectively referred to as "Respondents," were represented by Joseph Giovanniello, Jr., Esq., Landenburg Thalman & Co, Inc., New York, New York.

CASE INFORMATION

The Statement of Claim was filed on or about November 1, 2004. The Submission Agreement of Claimants, Clyde J. and Marvelyn J. Cornell, was signed on or about October 20, 2004.

The Statement of Answer was filed jointly by Respondents, Landenburg Thalman & Co., Inc. and Gene Sal Cicero, on or about December 22, 2004. The Submission Agreement of Respondent, Landenburg Thalman & Co., Inc., was signed on or about December 21, 2004. The Submission Agreement of Respondent, Gene Sal Cicero, was signed on or about December 14, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, failure to supervise, negligence, unauthorized trading, churning, omission of facts, and suitability. The causes

of action related to the recommendation and purchase of various high-risk, highly volatile technology stocks, including but not limited to: EMC Corp. Mass, High Speed Access Corp., Vodaphone Airtouch PLC, Starbase Corp., Imagine Diagnostic Systems, Hurricane Hydrocarbons LTD CL A, Cell Pathways, Inc., and Whitehall Enterprises. Claimant alleged that Respondents made unauthorized and excessive trades, unilaterally changing the risk status of their account. Claimants alleged that Respondents recommendations resulted in a lack of diversification and were over concentrated in technology stocks. Claimants also alleged that they never authorized opening a margin account in the course of their business with Respondents.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Respondents acted at all times in compliance with the applicable rules and regulations, and acted in good faith; the damages alleged by the Claimants have no causal relationship with any act committed by or legally attributed to Respondents; Claimants failed to state a claim upon which relief can be granted; the damages of Claimants are the proximate result of the conduct of Claimants; and Claimants claims are barred by the doctrines of laches, waiver, estoppel and ratification.

RELIEF REQUESTED

Claimants requested an award in the amount of:

Actual/Compensatory Damages	Unspecified
Punitive/Exemplary Damages	Unspecified
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

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(s) 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.) Respondents, Landenburg Thalman & Co., Inc. and Gene Sal Cicero, are jointly and severally liable for and shall pay to Claimants, Clyde J. and Marvelyn J. Cornell, the sum of \$20,778.00 in compensatory damages;
- 2.) Respondents, Landenburg Thalman & Co., Inc. and Gene Sal Cicero, are jointly and severally liable for and shall pay to Claimants, Clyde J. and Marvelyn J. Cornell, the sum of \$250 in costs; and
- 3.) Any relief not specifically enumerated, including punitive damages and attorneys' fees, is hereby denied with prejudice.

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	= \$ 250.00
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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 Landenburg Thalman & Co., Inc.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

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

One (1) Pre-hearing session with Panel x \$1,000.00	= \$ 1,000.00
Pre-hearing conference: May 24, 2005	1 session
Two (2) Hearing sessions x \$1,000.00	= \$ 2,000.00
Hearing Date: February 7, 2006	2 sessions
Total Forum Fees	= \$ 3,000.00

The Arbitration Panel has assessed \$1,500.00 of the forum fees to Landenburg Thalman & Co., Inc.

The Arbitration Panel has assessed \$1,500.00 of the forum fees to Gene Sal Cicero.

Fee Summary

Claimants, Clyde J. and Marvelyn J. Cornell, are jointly and severally liable for:

Initial Filing Fee	= \$ 250.00
Total Fees	= \$ 250.00
Less payments	= \$ 1,250.00
Refund Due to Claimants	= \$ 1,000.00

Respondent, Landenburg Thalman & Co., Inc., is liable for:

Member Fees	= \$ 4,450.00
Forum Fees	= \$ 1,500.00
Total Fees	= \$ 5,950.00
Less payments	= \$ 4,450.00
Balance Due NASD Dispute Resolution	= \$ 1,500.00

Respondent, Gene Sal Cicero, is liable for:

Forum Fees	= \$ 1,500.00
Total Fees	= \$ 1,500.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,500.00

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

ARBITRATION PANEL

Mark A. Frankel, J.D. - Public Arbitrator, Presiding Chair
Charles D. Hays - Public Arbitrator
John E. Sundeen - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Mark A. Frankel, J.D.
Mark A. Frankel, J.D.
Public Arbitrator, Presiding Chair

February 8, 2006
Signature Date

/s/ Charles D. Hays
Charles D. Hays
Public Arbitrator

February 9, 2006
Signature Date

/s/ John E. Sundeen
John E. Sundeen
Non-Public Arbitrator


February 9, 2006
Signature Date

February 9, 2006
Date of Service (For NASD office use only)

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Charles D. Hays - Public Arbitrator
John E. Sundeen - Non-Public Arbitrator

Concurring Arbitrators:



Mark A. Frankel, J.D.
Public Arbitrator, Presiding Chair

2/8/06

Signature Date

Charles D. Hays
Public Arbitrator

Signature Date

John E. Sundeen
Non-Public Arbitrator

Signature Date

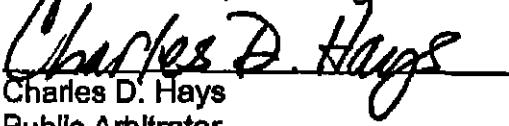
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