

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Stifel, Nicolaus & Company, Inc.

and

04-07851

Kansas City, Missouri

Name of Respondent

Richard P. Stern

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

Claimant, Stifel, Nicolaus & Company, Inc. ("Stifel" or "Claimant") was represented by Richard H. Kuhlman, Esq., Eric D. Martin, Esq., and Carrie J. Bechtold, Esq., Blackwell Sanders Peper Martin, St. Louis, Missouri, 720 Olive Street, Suite 2400, St. Louis, Missouri 63101.

Respondent Richard P. Stern ("Stern" or "Respondent") appeared pro se.

CASE INFORMATION

Claimant Stifel filed the Statement of Claim on or about November 10, 2004. Claimant Stifel signed its Uniform Submission Agreement on or about March 31, 2004.

Respondent Stern filed his Answer on or about January 3, 2005. Respondent Stern signed his Uniform Submission Agreement on or about November 30, 2004.

CASE SUMMARY

Claimant asserted one legal claim against Respondent for breach of contract. Specifically, Claimant alleged that Respondent failed to comply with the terms of a promissory note executed at the commencement of his employment with Claimant.

Through his Answer, Respondent admitted to owing Claimant money under the promissory note.

RELIEF REQUESTED

Claimant requested an award against Respondents in the amount of \$163,469.04, plus interest at the rate of 12% per annum from the date of Mr. Stern's resignation from Stifel, November 13, 2003 through the entry of any Award in favor of Stifel, plus attorneys' fees, costs and filing fees associated with collecting the debt owed by Respondent.

OTHER ISSUES CONSIDERED & DECIDED

On or about January 9, 2006, the parties entered into a confidential settlement of this matter.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies. The parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

Pursuant to the settlement agreement executed by the Parties, the Parties agree to the entry of the following award by the Panel:

1. Respondent Richard Stern is solely liable for and shall pay Claimant the sum of \$195,267.78 representative of:
 - a) The entire principal balance owing by Stern to Stifel (\$144,916.85);
 - b) Interest at the rate of 12% per annum on the amount owing to Stifel by Stern as of the date of his resignation from Stifel, November 13, 2003, through the first scheduled hearing date, January 17, 2006 (\$37,924.54);
 - c) Attorneys' fees and costs incurred by Stifel in connection with collecting this debt from Stern (\$5,476.39); and
 - d) NASD fees incurred by Stifel in connection with the Arbitration (\$6,950.00).
2. That 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.
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, not specifically awarded or otherwise provided for above.

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 = \$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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is Stifel, Nicolaus & Company, Inc.

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

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 arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

2 Pre-hearing session(s) with Panel	x	1,125.00	\$	2,250.00
May 19, 2005	1	session		
June 2, 2005	1	session		
Total Forum Fees			\$	2,250.00

The Arbitration Panel has assessed \$1,125.00 of the forum fees to Stifel, Nicolaus & Company, Inc.

The Arbitration Panel has assessed \$1,125.00 of the forum fees to Richard P. Stern.

Fee Summary

Claimant, Stifel, Nicolaus & Company, Inc., is liable for:

Initial Filing Fee = \$ 1,000.00

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Member Fees	= \$	5,200.00
<u>Forum Fees</u>	= \$	1,125.00
Total Fees	= \$	7,325.00
<u>Less payments</u>	= \$	-7,325.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent, Richard P. Stern, is liable for:

<u>Forum Fees</u>	= \$	1,125.00
Total Fees	= \$	1,125.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	1,125.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Thomas B. Phillips, Esq. - Non-Public Arbitrator, Presiding Chair
Leslie J. Filson - Non-Public Arbitrator
Lonnie L. Cunningham - Non-Public Arbitrator

Concurring Arbitrators:


Thomas B. Phillips, Esq.
Non-Public Arbitrator, Presiding Chair

01/18/2006
Signature Date

Leslie J. Filson
Non-Public Arbitrator

Signature Date

Lonnie L. Cunningham
Non-Public Arbitrator

Signature Date

1/26/06
Date of Service (For NASD office use only)

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Member Fees	= \$	5,200.00
<u>Forum Fees</u>	= \$	1,125.00
Total Fees	= \$	7,325.00
<u>Less payments</u>	= \$	-7,325.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent, Richard P. Stern, is liable for:

<u>Forum Fees</u>	= \$	1,125.00
Total Fees	= \$	1,125.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	1,125.00

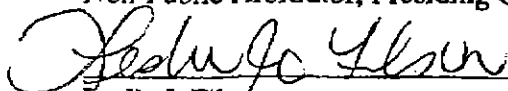
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Thomas B. Phillips, Esq.
Non-Public Arbitrator, Presiding Chair



Leslie J. Filson
Non-Public Arbitrator

Signature Date

1-18-06
Signature Date

Lonnie L. Cunningham
Non-Public Arbitrator

Signature Date

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Member Fees	= \$	3,200.00
Forum fees	= \$	1,125.00
Total Fees	= \$	4,325.00
Less payments	= \$	4,325.00
Balance Due NASD Dispute Resolution	= \$	0.00

Respondent, Richard P. Sterna is liable for:

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

All balances are due to NASD Dispute Resolution

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Signature Date

Leslie J. Filson
 Non-Public Arbitrator

Signature Date

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 Lonnie L. Cunningham
 Non-Public Arbitrator

1-18-06
 Signature Date

Date of Service (For NASD office use only)