

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Claimants

Arthur A. Johnson, Individually and as Trustee
of the Johnson Funeral Home Inc., Profit Sharing Plans
and as Co-Trustee of the Arthur Johnson Trust and
Kathleen T. Johnson Trust; Kathleen T. Johnson,
Individually and as Co-Trustee of the Arthur Johnson Trust
and Kathleen T. Johnson Trust; Todd Johnson, Individually
and as Custodian of the Kendra T. Johnson,
Brittany R. Johnson UGTA accounts; Rebecca Johnson;
Erik and Lisa Magnuson; Brian Johnson, Individually
and as Custodian for the Blake Johnson and Austin Johnson,
UTMA accounts; and Eric Johnson

v.

05-00357
Minneapolis, Minnesota

Respondents

RBC Dain Rauscher, Inc.,
Theodore John Hamlin and
Robert Joseph Hamlin

NATURE OF DISPUTE

Customers v. Member Firm and Associated Persons

REPRESENTATION OF PARTIES

Arthur A. Johnson, Individually and as Trustee of the Johnson Funeral Home Inc., Profit Sharing Plans and as Co-Trustee of the Arthur Johnson Trust and Kathleen T. Johnson Trust; Kathleen T. Johnson, Individually and as Co-Trustee of the Arthur Johnson Trust and Kathleen T. Johnson Trust; Todd Johnson, Individually and as Custodian of the Kendra T. Johnson, Brittany R. Johnson UGTA accounts; Rebecca Johnson; Erik and Lisa Magnuson; Brian Johnson, Individually and as Custodian for the Blake Johnson and Austin Johnson, UTMA accounts; and Eric Johnson, hereinafter collectively referred to as ("**Claimants**"), were represented by Thomas E. Jamison, Esq., and Ryan E. Strom, Esq., of Fruth Jamison & Elsass, P.A., Minneapolis, Minnesota.

RBC Dain Rauscher, Inc. ("**RBC**"), Theodore John Hamlin ("**Ted Hamlin**") and Robert Joseph Hamlin ("**Robert Hamlin**"), hereinafter collectively referred to as "**Respondents**," were represented

by Jonathan Harris, Esq., and Kim Ruckdashel-Haley, Esq., of Lindquist & Vennum, PLLP, Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about January 21, 2005. The Submission Agreement of Claimants were signed on or about January 17, 2005.

The Statement of Answer was filed jointly by Respondents, RBC Dain Rauscher, Inc., and Theodore John Hamlin, on or about April 7, 2005. The Submission Agreement of Respondent, RBC Dain Rauscher, Inc., was signed on or about February 5, 2005. The Submission Agreement of Respondent, Theodore John Hamlin, was signed on or about April 7, 2005.

Respondent, Robert Joseph Hamlin, did not file an Answer or Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted causes of action including the following: violations of NASD Conduct Rules, violation of Minnesota Stat. §80A.01, respondeat superior, breach of fiduciary duty and negligence. The causes of action related to Claimants' allegations that Respondents mismanaged their accounts and recommended unsuitable investments by purchasing mutual fund shares that included various high-tech stocks. Claimants alleged that this high-risk investment strategy was not consistent with their investment objectives, lacked diversification and was in fact implemented by Respondents to maximize their fees at the expense of their customers.

Respondents denied the allegations set forth in the Statement of Claim and asserted defenses including the following: the trading in Claimants' accounts was consistent with Claimants' investment directives, investment history and background; Claimants' stated securities claims are barred by the statute of limitations; Respondents did not owe and did not breach any duties to Claimants, and as such Respondents cannot be held liable under the theories of negligence; Respondents are not liable to Claimants in any amount, because at all relevant times, Respondents acted with due care and in good faith with regard to Claimants' accounts at RBC; and Claimants' claims are barred by the doctrines of waiver, estoppel and laches.

RELIEF REQUESTED

Claimants requested an award of \$2,600,000 in compensatory damages, plus attorneys' fees, interest, costs and for such other relief the panel deemed just and equitable.

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

On or about March 15, 2005, NASD Dispute Resolution received a Stipulation of Dismissal as to Respondent, Robert Joseph Hamlin, without prejudice. As such the panel did not adjudicate any claims asserted against Respondent, Robert Joseph Hamlin.

Prior to the hearing, the parties fully and finally settled all claims by and between them. As part of their settlement agreement, the parties submitted a Stipulated Award and requested that it be entered.

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 originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony at the pre-hearing conference call, and the stipulation of the parties, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimants' claims, having been withdrawn, are dismissed with prejudice;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent, Theodore John Hamlin's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent, Theodore John Hamlin, must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive;

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

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

- The claim, allegation, or information is factually impossible or clearly erroneous.
3. 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; and

4. 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.

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 = \$ 500

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 RBC Dain Rauscher, Inc.

Member surcharge = \$ 2,800
Pre-hearing process fee = \$ 750
Hearing process fee = \$ 5,000

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 \$ 1,200 = \$ 1,200

Pre-hearing conference: May 23, 2005 1 session

Total Forum Fees = \$ 1,200

The Arbitration Panel has assessed \$ 600 of the forum fees jointly and severally to Arthur A. Johnson, Individually and as Trustee of the Johnson Funeral Home Inc., Profit Sharing Plans and as Co-Trustee of the Arthur Johnson Trust and Kathleen T. Johnson Trust; Kathleen T. Johnson, Individually and as Co-Trustee of the Arthur Johnson Trust and Kathleen T. Johnson Trust; Todd Johnson, Individually and as Custodian of the Kendra T. Johnson, Brittany R. Johnson UGTA accounts; Rebecca Johnson; Erik and Lisa Magnuson; Brian Johnson, Individually and as

Custodian for the Blake Johnson and Austin Johnson, UTMA accounts; and Eric Johnson

The Arbitration Panel has assessed \$ 600 of the forum fees jointly and severally to RBC Dain Rauscher, Inc., and Theodore John Hamlin.

FEE SUMMARY

Claimants, Arthur A. Johnson, Individually and as Trustee of the Johnson Funeral Home Inc., Profit Sharing Plans and as Co-Trustee of the Arthur Johnson Trust and Kathleen T. Johnson Trust; Kathleen T. Johnson, Individually and as Co-Trustee of the Arthur Johnson Trust and Kathleen T. Johnson Trust; Todd Johnson, Individually and as Custodian of the Kendra T. Johnson, Brittany R. Johnson UGTA accounts; Rebecca Johnson; Erik and Lisa Magnuson; Brian Johnson, Individually and as Custodian for the Blake Johnson and Austin Johnson, UTMA accounts; and Eric Johnson, are jointly and severally liable for:

Initial Filing Fee	= \$ 500
Forum Fees	= \$ 600
Total Fees	= \$ 1,100
Less payments	= \$ 1,700
Balance Refunded By NASD Dispute Resolution	= \$ 600

Respondent, RBC Dain Rauscher, Inc., is liable for:

Member Fees	= \$ 8,500
Total Fees	= \$ 8,550
Less payments	= \$ 8,550
Balance Due NASD Dispute Resolution	= \$ 0

Respondents, RBC Dain Rauscher, Inc., and Theodore John Hamlin, are jointly and severally liable for:

Forum Fees	= \$ 600
Total Fees	= \$ 600
Less payments	= \$ 0
Balance Due NASD Dispute Resolution	= \$ 600

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

ARBITRATION PANEL

Douglas G. Plank - Public Arbitrator, Presiding Chair
Christine C. DeMoss, Esq. - Public Arbitrator
Frank E. Harvey - Non-Public Arbitrator

Concurring Arbitrators:

Douglas G. Plank
Public Arbitrator, Presiding Chair

Signature Date

Christine C. DeMoss, Esq.
Public Arbitrator

Signature Date

Frank E. Harvey
Non-Public Arbitrator

Signature Date

7/31/06
Date of Service (NASD use only)

ARBITRATION PANEL

Douglas G. Plank - Public Arbitrator, Presiding Chair
Christine C. DeMoss, Esq. - Public Arbitrator
Frank E. Harvey - Non-Public Arbitrator

Concurring Arbitrators:

Douglas G. Plank
Douglas G. Plank
Public Arbitrator, Presiding Chair

3/29/06
Signature Date

Christine C. DeMoss, Esq.
Christine C. DeMoss, Esq.
Public Arbitrator

Signature Date

Frank E. Harvey
Frank E. Harvey
Non-Public Arbitrator

Signature Date

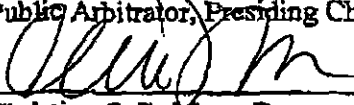
5/30/06
Date of Service (NASD use only)

ARBITRATION PANEL

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Christine C. DeMoss, Esq. - Public Arbitrator
Frank E. Harvey - Non-Public Arbitrator

Concurring Arbitrators:

Douglas G. Plank
Public Arbitrator, Presiding Chair



Christine C. DeMoss, Esq.
Public Arbitrator

Signature Date

3-29-06

Signature Date

Frank E. Harvey
Non-Public Arbitrator

Signature Date

3/30/06

Date of Service (NASD use only)

ARBITRATION PANEL

Douglas G. Plank - Public Arbitrator, Presiding Chair
Christine C. DeMoss, Esq. - Public Arbitrator
Frank E. Harvey - Non-Public Arbitrator

Concurring Arbitrators:

Douglas G. Plank
Public Arbitrator, Presiding Chair

Signature Date

Christine C. DeMoss, Esq.
Public Arbitrator

Signature Date


Frank E. Harvey
Non-Public Arbitrator

3/28/06
Signature Date

3/20/06
Date of Service (NASD use only)