

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Steven M. Admire

vs.

Case Number: 05-01899

Hearing Site: Oklahoma City, Oklahoma

Names of Respondents

Capital West Securities, Inc. and
Stifel, Nicolaus & Co., Inc.

NATURE OF THE DISPUTE

Customer vs. Members

REPRESENTATION OF PARTIES

Steven M. Admire ("Claimant") was represented by Laurence L. Pinkerton, Esq., Pinkerton & Finn, P.C., Tulsa, Oklahoma.

Capital West Securities, Inc. ("Capital") was represented by Joe M. Hampton, Esq., formerly of Ryan, Whaley & Coldiron, Oklahoma City, Oklahoma, now with The Hampton Law Firm, Oklahoma City, Oklahoma.

Stifel, Nicolaus & Co., Inc. ("Stifel") was represented by Will S. Montgomery, Esq., Jenkins & Gilchrist, Dallas, Texas.

CASE INFORMATION

The Statement of Claim was filed on or about April 11, 2005. The Submission Agreement of Claimant, Steven M. Admire, was signed on or about April 6, 2005.

The Statement of Answer was filed by Respondent, Capital West Securities, Inc., on or about June 10, 2005. The Submission Agreement of Respondent Capital was signed on or about July 5, 2005.

Claimant's Unopposed Motion to Amend Statement of Claim to Add Additional Respondent and Amended Statement of Claim was filed on or about December 22, 2005.

The Statement of Answer and Motion to Dismiss was filed by Respondent, Stifel, Nicolaus & Co., Inc., on or about February 3, 2006. The Submission Agreement of Respondent Stifel was signed on or about January 28, 2006.

A Motion for Summary Adjudication/Dismissal was filed by Respondent, Capital West Securities, Inc., on August 21, 2006.

A Response to Capital's Motion for Summary Adjudication/Dismissal was filed by Claimant, Steven M. Admire, on September 6, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; negligence; breach of fiduciary duty; misrepresentation; and churning. The causes of action related to the recommendation and purchase of various options, including Verisign and Cisco. Claimant asserted that Capital and Stifel failed to act in accordance with the Option Trading Account Agreement, which required payment for option trades on the business day following the purchase or sale of the option. Knowing Claimant's limited financial capability, Respondents, Capital and Stifel, continued to adopt tactics that deceptively encouraged unrestrained trading by Claimant, which aimed at maximizing Respondents' profits at the expense of Claimant. Due to the unlimited credit offered by Capital, Claimant made large volumes of trades. With insufficient funds to pay for the trades, Capital and Stifel knew, but did not inform Claimant, of his violation of Regulation T of the Federal Reserve Board, 12 C.F.R. § 220.4(e)(2). Claimant further asserted that Respondents' failure to act fairly and in conformity with their contract and duty caused a substantial loss to Claimant's account.

Unless specifically admitted in its Answer, Respondent Capital denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: failure to state a claim; market price fluctuations; assumption of risk; ratification, waiver and estoppel; no scienter; no private right of action; statute of limitations; and ineligibility for arbitration.

Unless specifically admitted in its Answer, Respondent, Stifel, denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: Claimant's claims are barred, in whole or in part, by comparative and/or contributory negligence; Claimant's claims are barred, in whole or in part, by his failure to mitigate his damages, if any; Claimant's claims are barred, in whole or in part, because Stifel acted in good faith at all relevant times; Claimant's claims are barred, in whole or in part, by waiver, ratification, or estoppel; no fiduciary duty existed between Stifel and Claimant because Stifel did not have discretionary control over any of Claimant's accounts; Stifel exercised reasonable care and diligence in performing its task as a clearing broker; Stifel had no knowledge of, or reasonable grounds to believe in, the existence of its co-Respondent's wrongdoing. Stifel did not know, and in the exercise of reasonable diligence should have

known, of any alleged wrongdoing; there is no private cause of action; Claimant is barred, in whole or in part, from recovery by the applicable statute of limitations; and any loss incurred by Claimant was, in whole or in part, caused by acts of third parties and/or conditions and events outside the control of Stifel.

RELIEF REQUESTED

Claimant, Steven M. Admire, requested an award in the amount of:

Actual/Compensatory Damages	\$1,470,589.90
Exemplary/Punitive Damages	\$1,470,589.90
Interest	Unspecified
Attorneys' Fees	Unspecified
Other Costs	Unspecified
Other Monetary Relief	Unspecified

Respondent, Capital West Securities, Inc., requested that the claims asserted against it be denied in their entirety and that it be awarded its costs and attorneys' fees.

Respondent, Stifel, Nicolaus & Co., Inc., requested that all claims asserted against it be dismissed, and that it be awarded its costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

In an Order dated December 29, 2005, the Panel granted Claimant permission to file his Amended Statement of Claim.

On April 3, 2006, Claimant dismissed with prejudice all claims asserted against Respondent, Stifel, Nicolaus & Co., Inc.

After hearing oral arguments at the arbitration proceeding relating to Respondent Capital's Motion for Summary Adjudication/Dismissal, and Claimant's response thereto, the Panel denied Capital's motion.

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

- 1.) Respondent, Capital West Securities, Inc., is liable for and shall pay to Claimant, Steven M. Admire, the sum of \$9,900.00 in compensatory damages;
- 2.) Respondent, Capital West Securities, Inc., is liable for and shall pay to Claimant, Steven M. Admire, interest on the above-stated sum at the rate of 10% per annum from and including the date the Award is served through and including the date the Award is paid in full;
- 3.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and
- 4.) 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	= \$ 500.00
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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 firms that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firms are Capital West Securities, Inc. and Stifel, Nicolaus & Co., Inc.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,000.00

Adjournment Fees

Adjournments granted during these proceedings:

February 27- March 3, 2006, adjournment requested by both parties	= \$ 1,200.00
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Forum Fees and Assessments

The Panel has assessed forum fees for each hearing session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrator, 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 a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: August 29, 2006 1 session

Two (2) Pre-hearing sessions with Panel x \$1,200.00 = \$ 2,400.00
Pre-hearing conferences: September 28, 2005 1 session
February 10, 2006 1 session

Nine (9) Hearing sessions x \$1,200.00 = \$ 10,800.00
Hearing Dates: September 19, 2006 2 sessions
September 20, 2006 2 sessions
September 21, 2006 3 sessions
September 22, 2006 2 sessions

Total Forum Fees = \$ 13,650.00

The Panel has assessed \$6,825.00 of the forum fees to Claimant, Steven M. Admire.

The Panel has assessed \$6,825.00 of the forum fees to Respondent, Capital West Securities, Inc.

FEE SUMMARY

Claimant, Steven M. Admire, is liable for:

Initial Filing Fee	= \$ 500.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 6,825.00
Total Fees	= \$ 7,925.00
Less payments	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$ 6,225.00

Respondent, Capital West Securities, Inc., is liable for:

Member Fees	= \$ 8,550.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 6,825.00
Total Fees	= \$ 15,975.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 7,425.00

Respondent, Stifel, Nicolaus & Co., Inc., is liable for:

Member Fees	= \$ 8,550.00
Total Fees	= \$ 8,550.00
Less payments	= \$ 8,550.00
Balance Due NASD Dispute Resolution	= \$ 0.00

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

ARBITRATION PANEL

Raymond E. Tompkins, J.D. - Public Arbitrator, Presiding Chair

Jerome K. Altschuler - Public Arbitrator

Gerald J. Linehan - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

/s/ Raymond E. Tompkins, J.D.
Raymond E. Tompkins, J.D.
Public Arbitrator, Presiding Chair

10-10-06
Signature Date

/s/ Jerome K. Altschuler
Jerome K. Altschuler
Public Arbitrator

10-10-06
Signature Date

/s/ Gerald J. Linehan
Gerald J. Linehan
Non-Public Arbitrator

10-10-06
Signature Date

10-10-06
Date of Service (For NASD office use only)

NASD Dispute Resolution
Arbitration No. 05-01699
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Respondent, Stifel, Nicolaus & Co., Inc., is liable for:

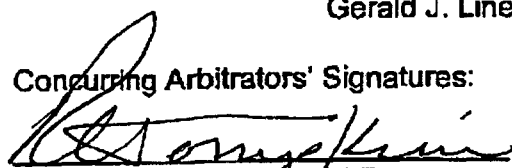
Member Fees	= \$ 8,550.00
Total Fees	= \$ 8,550.00
Less payments	= \$ 8,550.00
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NASD Dispute Resolution
 Arbitration No. 05-01899
 Award Page 6 of 6

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 Public Arbitrator, Presiding Chair

Signature Date


 Jerome K. Altschuler
 Public Arbitrator

Oct 10, 2006
 Signature Date

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 Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution
Arbitration No. 05-01899
Award Page 6 of 6

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Public Arbitrator, Presiding Chair

Signature Date

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Public Arbitrator

Signature Date

Gerald J. Linehan
Non-Public Arbitrator

10/10/06

Signature Date

Date of Service (For NASD office use only)