

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of Claimant

Cynthia Apichino

vs.

Case Number: 05-02099
Hearing Site: Dallas, Texas

Names of Respondents

InterSecurities, Inc.,
AFSG Securities Corporation, and
Jeffrey William McClure

NATURE OF THE DISPUTE

Customer vs. Members and Associated Person

REPRESENTATION OF PARTIES

Cynthia Apichino ("Claimant") was represented by Lee Bowie, Esq., Davidson, Bowie & Sims, PLLC, Jackson, Mississippi.

InterSecurities, Inc. ("InterSecurities"), AFSG Securities Corporation ("AFSG"), and Jeffrey William McClure ("McClure"), hereinafter collectively referred to as "Respondents," were represented by Katherine C. Lake, Esq. and Patrizia S. Delgado, Esq., Fowler White Boggs Banker P. A., Tampa, Florida.

CASE INFORMATION

The Statement of Claim was filed on or about April 21, 2005. The Submission Agreement of Claimant was signed on or about June 11, 2005.

The Statement of Answer was filed jointly by Respondents on or about September 20, 2006. The Submission Agreement of Respondent InterSecurities was signed on or about July 6, 2005 by Thomas R. Moriarty, President and CEO. The Submission Agreement of Respondent AFSG was signed on or about August 25, 2005 by Lisa A. Wachendorf, Vice President and CCO. The Submission Agreement of Respondent McClure was signed on or about September 20, 2006.

The Motion to Dismiss, or in the alternative, Motion for Summary Judgment was filed by Respondents, InterSecurities and McClure, on or about October 24, 2006. The Response

to the Motion to Dismiss, or in the alternative, Motion for Summary Judgment was filed by Claimant on or about October 31, 2006.

Respondents InterSecurities' and McClure's, Arbitration Brief was filed on or about October 24, 2006.

CASE SUMMARY

Claimant asserted the following causes of action: violations of the federal and state securities laws; violations of the Texas Deceptive Trade Practices Act; negligence; gross negligence; breach of industry standards; breach of contract; breach of duty, fiduciary and otherwise; fraud and fraudulent concealment; respondeat superior; negligence in retaining McClure; and negligent failure to supervise McClure. The causes of action related to the recommendations and purchases McClure made for her portfolio.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Claimant was fully advised of and understood the nature of the investments purchased in her account; the Claimant received prospectuses and/or disclaimer documentation for all her investments which disclosed the investments' nature and associated risks; the claims are barred by the doctrines of estoppel, ratification, and waiver; the losses were caused by acts, events, and/or conditions beyond Respondents' control; the Claimant failed to act with due diligence in connection with her investments and failed to timely disaffirm the transactions and acts complained of in the Statement of Claim despite her knowledge of these alleged actions and transactions; Claimant failed to mitigate her damages; the claims are barred by the doctrine of unclean hands; any losses were proximately caused by Claimant's own negligence, and not by any action or inaction of Respondents; the claims arise out of a contractual relationship and, as a result, all of the non-contractual claims are barred by the economic loss doctrine; the claims are barred by the doctrine of express assumption of risk; the claims are barred by the principles of comparative negligence, Respondents had in place procedures and a system for supplying such procedures that were reasonably designed to prevent and detect the alleged securities violations; the claims are in whole or in part barred by the statute of limitations and/or laches; and, Claimant is not entitled to recovery against the Respondents because Respondents acted in good faith at all times and exercised reasonable diligence.

RELIEF REQUESTED

Claimant requested an award in the amount of:

Actual/Compensatory Damages

\$210,000.00

Exemplary/Punitive 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. In addition, they requested that all reference to this claim be expunged from McClure's CRD records.

OTHER ISSUES CONSIDERED & DECIDED

On or about December 16, 2005, the Claimant dismissed, without prejudice, her claims against Respondent AFSG Securities Corporation.

On November 9, 2006, the Panel heard argument in regard to the Respondents' Motion to Dismiss, or in the alternative, Motion for Summary Judgment. The Panel determined the following Order:

Respondents InterSecurities, Inc. and Jeffrey McClure's Motion to Dismiss as regards Claimant's claim for violations of the Texas Deceptive Trade Practices Act and Claimant's claim for violations of Federal or State securities laws are hereby granted. All other requests as set out in Respondents, InterSecurities, Inc. and Jeffrey McClure's Motion to Dismiss, or in the alternative, Motion for Summary Judgment, dated October 24, 2006 are hereby denied.

Following the presentation of Claimant's evidence at the hearing, Respondents made an oral Motion for Dismissal of the claims for failure to supervise based upon lack of evidence. After review and consideration of the evidence offered and hearing arguments of counsel, the Panel dismissed Claimant's claim for failure to supervise.

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

- 1.) Claimant's claims, each and all, are hereby denied and dismissed with

prejudice;

- 2.) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; 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 = \$ 300.00

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 InterSecurities, Inc. and AFSG Securities Corporation.

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

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

One (1) Decision on discovery-related motion on the papers
with three (3) arbitrators @ \$600.00 = \$ 600.00
Respondents, InterSecurities and McClure, submitted
one (1) discovery-related motion

Two (2) Pre-hearing sessions with Panel x \$1,125.00 = \$ 2,250.00
Pre-hearing conferences: November 30, 2005 1 session
November 8, 2006 1 session

Eleven (11) Hearing sessions x \$1,125.00			= \$ 12,375.00
Hearing Dates:	November 13, 2006	3 sessions	
	November 14, 2006	3 sessions	
	November 15, 2006	3 sessions	
	November 16, 2006	2 sessions	
<hr/> Total Forum Fees			= \$ 15,225.00

The Panel has assessed \$13,500.00 of the forum fees to Cynthia Apichino.

The Panel has assessed \$562.50 of the forum fees jointly and severally to InterSecurities, Inc., AFSG Securities Corporation, and Jeffrey William McClure.

The Panel has assessed \$1,162.50 of the forum fees jointly and severally to InterSecurities, Inc. and Jeffrey William McClure.

FEE SUMMARY

Claimant, Cynthia Apichino, is liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 13,500.00
Total Fees	= \$ 13,800.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 12,375.00

Respondent, InterSecurities, Inc., is liable for:

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

Respondent, AFSG Securities Corporation, is 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, InterSecurities, Inc., AFSG Securities Corporation, and Jeffrey William McClure, are jointly and severally liable for:

Forum Fees	= \$ 562.50
Total Fees	= \$ 562.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 562.50

Respondents, InterSecurities, Inc. and Jeffrey William McClure, are jointly and severally liable for:

Forum Fees	= \$	1,162.50
Total Fees	= \$	1,162.50
Less payments	= \$	0.00
Balance Due NASD Dispute Resolution	= \$	1,162.50

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

ARBITRATION PANEL

G. Maynard Green, JD - Public Arbitrator, Presiding Chair
Jack K. Lovette - Public Arbitrator
Tony Michael Haddock - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

G. Maynard Green, JD
Public Arbitrator, Presiding Chair

Signature Date

Jack K. Lovette
Public Arbitrator

Signature Date

Tony Michael Haddock
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Respondents, InterSecurities, Inc. and Jeffrey William McClure, are jointly and severally liable for:

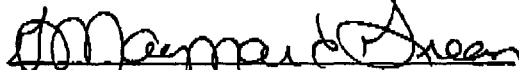
Forum Fees	= \$ 1,162.50
Total Fees	= \$ 1,162.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,162.50

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

ARBITRATION PANEL

G. Maynard Green, JD - Public Arbitrator, Presiding Chair
Jack K. Lovette - Public Arbitrator
Tony Michael Haddock - Non-Public Arbitrator

Concurring Arbitrators' Signatures:



G. Maynard Green, JD
Public Arbitrator, Presiding Chair

November 22, 2006
Signature Date

Jack K. Lovette
Public Arbitrator

Signature Date

Tony Michael Haddock
Non-Public Arbitrator

Signature Date

11/27/06 
Date of Service (For NASD office use only)

Respondents, InterSecurities, Inc. and Jeffrey William McClure, are jointly and severally liable for:

Forum Fees	= \$ 1,162.50
Total Fees	= \$ 1,162.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,162.50

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

ARBITRATION PANEL

G. Maynard Green, JD - Public Arbitrator, Presiding Chair
Jack K. Lovette - Public Arbitrator
Tony Michael Haddock - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

G. Maynard Green, JD
Public Arbitrator, Presiding Chair

Signature Date

Jack K. Lovette
Public Arbitrator

Signature Date



Tony Michael Haddock
Non-Public Arbitrator

11-22-06

Signature Date

11/27/06 

Date of Service (For NASD office use only)

Respondents, InterSecurities, Inc. and Jeffrey William McClure, are jointly and severally liable for:

Forum Fees	= \$ 1,162.50
Total Fees	= \$ 1,162.50
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,162.50

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

ARBITRATION PANEL

G. Maynard Green, JD - Public Arbitrator, Presiding Chair
Jack K. Lovette - Public Arbitrator
Tony Michael Haddock - Non-Public Arbitrator

Concurring Arbitrators' Signatures:

G. Maynard Green, JD
Public Arbitrator, Presiding Chair

Signature Date


Jack K. Lovette
Public Arbitrator

11-27-06

Signature Date

Tony Michael Haddock
Non-Public Arbitrator

Signature Date

11/27/06 
Date of Service (For NASD office use only)