

COPY

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Boosalis Options, LP, Claimant v. Howe Barnes Investments, Inc. and Michael A. Connor,
Respondents

Howe Barnes Investments, Inc., Counter-Claimant v. Boosalis Options, LP, Counter-Respondent

Howe Barnes Investments, Inc., Cross-Claimant v. Michael A. Connor, Cross-Respondent

Michael A. Connor, Cross-Claimant v. Howe Barnes Investments, Inc., Cross-Respondent

Case Number: 05-02953

Hearing Site: San Francisco, California

Nature of the Dispute: Customer vs. Member and Associated Person

Member v. Customer

Member v. Associated Person

Associated Person v. Member

REPRESENTATION OF PARTIES

For Claimant and Counter-Respondent,
Boosalis Options, LP:

Kenneth M. Christison, Esq.
Law Offices of Kenneth Christison
Mill Valley, California

For Respondent, Counter-Claimant,
Cross-Claimant and Cross-Respondent,
Howe Barnes Investments, Inc.:

James P. Sullivan
Chapman and Cutler LLP
Chicago, Illinois

For Respondent, Cross-Respondent and
Cross-Claimant, Michael A. Connor:

Kenneth C. Webster, Esq.
Commins Templeton & Webster
San Francisco, California

CASE INFORMATION

Statement of Claim filed: June 3, 2005

Boosalis Options, LP's Amendment to Statement of Claim filed: September 29, 2005

Boosalis Options, LP's Answer to Counterclaim of Howe Barnes Investments, Inc. filed:
September 29, 2005

Boosalis Options, LP's Uniform Submission Agreement signed: May 25, 2005

Howe Barnes Investments, Inc.'s ("Howe Barnes") Answer to Claim of Boosalis Options, LP, and Counterclaim against Boosalis Options, LP, and Cross-Claim against Michael A. Connor filed: August 17, 2005

Howe Barnes' Answer to Amendment to Claim of Boosalis Options, LP filed: October 14, 2005

Howe Barnes' Answer to Defenses of Cross-Respondent Michael A. Connor and Answer to Cross-Claim of Cross-Claimant Michael A. Connor filed: December 7, 2005

Howe Barnes' Pre-Arbitration Hearing Brief filed: April 14, 2006

Howe Barnes' Uniform Submission Agreement signed: August 5, 2005

Michael A. Connor's Answer to Statement of Claim filed: August 25, 2005

Michael A. Connor's Answer to Howe Barnes' Cross-Claim and Cross-Claim against Howe Barnes filed: October 28, 2005

Michael A. Connor's Arbitration Brief filed: April 7, 2006

Michael A. Connor's Uniform Submission Agreement signed: August 22, 2005

CASE SUMMARY

Boosalis Options, LP alleged that it suffered damages because of Respondents' refusal to honor the commitment made by Michael A. Connor to sell 30,000 shares of Greene County Bancshares, Inc. ("GCBS") stock to Boosalis Options, LP.

Boosalis Options, LP denied Howe Barnes' allegations of wrongdoing and denied any liability to Howe Barnes.

Howe Barnes denied Boosalis Options, LP's allegations of wrongdoing and denied any liability to Boosalis Options, LP.

Howe Barnes asserted a counterclaim for rescission against Boosalis Options, LP regarding shares of GCBS stock sold to Boosalis Options, LP.

Howe Barnes alleged the following cross-claims against Michael A. Connor: 1) Breach of Fiduciary Duty; 2) Indemnity; and 3) Enforcement of Contribution and Reimbursement Obligations.

Howe Barnes denied Michael A. Connor's allegations of wrongdoing and denied any liability to Mr. Connor.

Michael A. Connor denied Boosalis Options, LP's allegations of wrongdoing and denied any liability to Boosalis Options, LP. Mr. Connor also asserted various defenses.

Michael A. Connor denied Howe Barnes' allegations of wrongdoing and denied any liability to Howe Barnes.

Michael A. Connor asserted a cross-claim for indemnity against Howe Barnes for all damages resulting from Boosalis Options, LP's claims, including defense costs.

RELIEF REQUESTED

In its Statement of Claim, Boosalis Options, LP requested compensatory damages in the amount of \$78,370.00, punitive damages in the amount of \$235,110.00, costs and attorney's fees. In its Amended Statement of Claim, Boosalis Options, LP requested compensatory damages in the amount \$70,210.00.

Boosalis Options, LP requested dismissal of Howe Barnes' counterclaims.

Howe Barnes requested that judgment be entered in its favor and against Boosalis Options, LP on its Claim and that Howe Barnes be awarded its costs in this matter, together with any other relief as the Panel deems proper.

In its Counterclaim, Howe Barnes requested that an award be entered in its favor and against Boosalis Options, LP for a return of 13,000 shares of GCBS or, if such relief is impossible, the lost profits on 13,000 shares of GCBS sold to Boosalis Options, LP, the actual amount to be determined at hearing, and any other relief deemed appropriate by the Panel.

In its Cross-Claim, Howe Barnes requested that an award be entered in its favor and against Michael A. Connor for (a) one-half of any amounts which are awarded to Boosalis Options, LP by the Panel and payable by Howe Barnes, plus one-half of the NASD and other out-of-pocket costs paid by Howe Barnes in this matter, plus one-half of any expert witness fees incurred by Howe Barnes in this matter, plus one-half of Howe Barnes' legal fees and expenses incurred in the defense of and counterclaims arising from this matter, (b) any and all additional amounts in excess of 50% of the above listed items that the Panel deems just and appropriate due to Mr. Connor's actions in his dealings with Boosalis Options, LP and Howe Barnes, and (c) any other relief deemed appropriate by the Panel.

Michael A. Connor requested that Howe Barnes' claims be dismissed and that Howe Barnes take nothing from Mr. Connor. Mr. Connor asserted that if the Panel determines that he was an Officer of Howe Barnes, Howe Barnes should be ordered to pay for any exposure he may have to Boosalis Options, LP and for all of his reasonable attorneys' fees and costs incurred in defending this action. Mr. Connor also asserted that if the Panel determines that Howe Barnes has a contractual right to partial indemnification, that provision also entitles Connor to equal partial indemnification from Howe Barnes.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, counsel for Boosalis Options, LP advised that Boosalis Options, LP's Amendment to Statement of Claim filed on or about September 29, 2005, did not add Gregory Gersack as a party in this matter.

The parties 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, testimony, and 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. All claims by Boosalis Options, LP, including the claim for punitive damages, are dismissed.
2. All claims by Howe Barnes Investments, Inc. are dismissed.
3. All claims by Michael A. Connor are dismissed.
4. Each party shall bear its own costs, including attorney's fees.
5. All other relief not expressly granted is denied.

FEEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 300.00
Howe Barnes' Counterclaim/Cross-Claim filing fee	= \$1,000.00
Michael A. Connor's Cross-Claim filing fee	= \$ 300.00

Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events that gave rise to the dispute, claim, or controversy. Accordingly, Howe Barnes is a party and the following fees are assessed:

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 Panel assessed forum fees for each 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(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 conference sessions with a single arbitrator @ \$450.00/session	=	\$900.00
Pre-hearing conferences:		
March 3, 2006	1 session	
March 24, 2006	1 session	
(1) Pre-hearing conference session with the Panel @ \$1,125.00/session	=	\$1,125.00
Pre-hearing conference:		
January 10, 2006	1 session	
(2) Hearing sessions @ \$1,125.00/session	=	\$2,250.00
Hearing Date:		
May 1, 2006	2 sessions	
Total Forum Fees	=	\$4,275.00

The Panel assessed \$2,137.50 in forum fees to Claimant Boosalis Options, LP.

The Panel assessed \$2,137.50 in forum fees to Respondent Howe Barnes.

Fee Summary

1. Claimant and Counter-Respondent Boosalis Options, LP is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	= \$ 2,137.50
Total Fees	= \$ 2,437.50
<u>Less Payments</u>	= \$(2,125.00)
Balance Due NASD Dispute Resolution	= \$ 312.50

2. Respondent, Counter-Claimant, Cross-Claimant and Cross-Respondent Howe Barnes is charged with the following fees and costs:

Counterclaim/Cross-Claim Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 2,137.50
Total Fees	= \$ 8,337.50
<u>Less Payments</u>	= \$(7,325.00)
Balance Due NASD Dispute Resolution	= \$ 1,012.50

3. Respondent and Cross-Respondent Michael A. Connor is charged with the following fees and costs:

Cross-Claim Filing Fee	= \$ 300.00
<u>Less Payments</u>	= \$(1,425.00)
Refund Due Michael A. Connor	= \$(1,125.00)

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

ARBITRATION PANEL

Herbert Liberman	-	Public Arbitrator, Presiding Chair
Lester Friedman, Esq.	-	Public Arbitrator
Paul M. Foster, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Herbert Liberman
Chair, Public Arbitrator

5/16/06
Signature Date

Lester Friedman, Esq.
Public Arbitrator

Signature Date

Paul M. Foster, Esq.
Non-Public Arbitrator

Signature Date

5/17/06
Date of Service

NASD Dispute Resolution
Arbitration No. 05-02953
Award Page 7 of 7

ARBITRATION PANEL

Herbert Liberman	-	Public Arbitrator, Presiding Chair
Lester Friedman, Esq.	-	Public Arbitrator
Paul M. Foster, Esq.	-	Non-Public Arbitrator

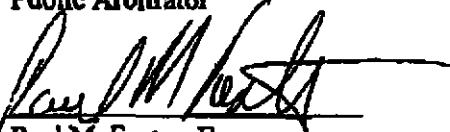
Concurring Arbitrators' Signatures

Herbert Liberman
Chair, Public Arbitrator

Signature Date

Lester Friedman, Esq.
Public Arbitrator

Signature Date



Paul M. Foster, Esq.
Non-Public Arbitrator

Signature Date

5/17/06
Date of Service