

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jeanne Van Order, Claimant v. Securities America, Inc. and Michael S. Bagocus,
Respondents

Case Number: 05-05540

Hearing Site: Los Angeles, California

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

REPRESENTATION OF PARTIES

For Claimant:

Ryan K. Bakhtiari, Esq.
Aidikoff, Uhl & Bakhtiari
Beverly Hills, California

For Respondents:

Steven J. Joffe, Esq.
Wilson, Elser, Moskowitz, Edelman & Dicker LLP
Los Angeles, California

CASE INFORMATION

Statement of Claim filed: October 28, 2005

Claimant's Uniform Submission Agreement signed: October 27, 2005

Joint Statement of Answer filed by Respondents: January 9, 2006

Respondent Securities America, Inc.'s Uniform Submission Agreement signed:
December 2, 2005

Respondent Michael S. Bagocus' Uniform Submission Agreement signed:
December 15, 2005

CASE SUMMARY

Claimant alleged breach of fiduciary duty, fraud, constructive fraud, negligent misrepresentation, failure to supervise, violation of California Corporate Securities Act §25401 and 25110, violation of federal and state securities laws, violation of California statutory and common law, and violation of NASD Rules of Fair Practice and NYSE rules. Claimant's claims involved various securities including Internet Capital Group Inc., Globalstar, and Exodus.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested \$201,000.00 in compensatory damages, unspecified punitive damages, disgorgement and restitution, lost opportunity cost, pre- and post-judgment interest, and costs, including attorney's fees.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

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, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents are liable to and shall pay Claimant the sum of \$60,000.00 in compensatory damages.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other relief requested and not expressly granted is denied.

FEES

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
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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, the member firm Securities America, Inc. 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:

3 Pre-hearing conference sessions with one arbitrator @ \$450.00/session = \$ 1,350.00

Pre-hearing conferences:	April 27, 2006	1 session
	June 20, 2006	1 session
	July 27, 2006	1 session

1 Pre-hearing conference session with the Panel @ \$1,125.00/session = \$ 1,125.00

Pre-hearing conference:	March 2, 2006	1 session
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(9) Hearing sessions @ \$1,125.00/session = \$10,125.00

Hearings:	November 6, 2006	2 sessions
	November 7, 2006	2 sessions
	November 8, 2006	2 sessions
	November 9, 2006	2 sessions
	November 10, 2006	1 session

Total Forum Fees	= \$12,600.00
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1. The Panel assessed \$6,300.00 of the forum fees to Claimant.
2. The Panel assessed \$6,300.00 of the forum fees jointly and severally to Respondents.

Fee Summary

1. Claimant is charged with the following fees and costs:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 6,300.00
<u>Total Fees</u>	= \$ 6,600.00
<u>Less payments</u>	= \$(1,425.00)
Balance Due NASD Dispute Resolution	= \$ 5,175.00
2. Respondent Securities America, Inc. is charged with the following fees and costs:

Member Fees	= \$ 5,200.00
<u>Less payments</u>	= \$(5,200.00)
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Respondents are charged jointly and severally with the following fees and costs:

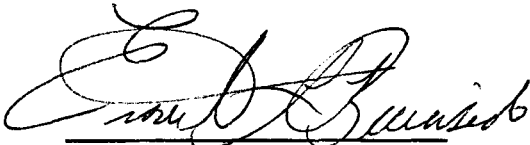
Forum Fees	= \$ 6,300.00
<u>Less payments made by Respondent Securities America, Inc.</u>	= \$(750.00)
Balance Due NASD Dispute Resolution	= \$ 5,550.00

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

ARBITRATION PANEL

Ernest L. Burnside	-	Public Arbitrator, Presiding Chair
Eugene A. Taylor, Jr.	-	Public Arbitrator
Paul H. White	-	Non-Public Arbitrator

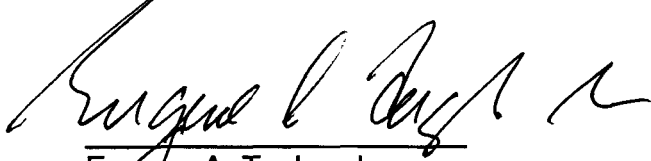
Concurring Arbitrators' Signatures



Ernest L. Burnside
Chair, Public Arbitrator

11/10/06

Signature Date



Eugene A. Taylor, Jr.
Public Arbitrator

11/10/06

Signature Date



Paul H. White
Non-Public Arbitrator

11/10/06

Signature Date

11/10/06

Date of Service