

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Samuel Kovnat and Phyllis Kovnat (Claimants) vs. Daniel S. Spring and Advest, Inc.
(Respondents)

Case Number: 05-06199

Hearing Site: Hartford, Connecticut

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

REPRESENTATION OF PARTIES

Claimants Samuel Kovnat ("S. Kovnat") and Phyllis Kovnat ("P. Kovnat") hereinafter collectively referred to as "Claimants": Richard D. Haviland, Esq., Rakosky, Haviland & Tedeschi, PC, New London, CT.

Respondent Advest, Inc. ("Advest"): Dean M. Cordiano, Esq. and Sharon M. Seligman, Esq., Day, Berry & Howard LLP, Hartford, CT.

Respondent Daniel S. Spring ("Spring"): Mark S. Gregory, Esq. and James M. Moriarty, Esq., Kelley, Drye & Warren LLP, Stamford, CT. Previously represented by Dean M. Cordiano, Esq. and Sharon M. Seligman, Esq., Day, Berry & Howard LLP, Hartford, CT.

Advest and Spring hereinafter collectively referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: December 1, 2005.

S. Kovnat signed the Uniform Submission Agreement: November 29, 2005.

P. Kovnat signed the Uniform Submission Agreement: November 29, 2005.

Joint Statement of Answer filed by Respondents on or about: January 13, 2006.

Advest signed the Uniform Submission Agreement: December 13, 2005.

Spring signed the Uniform Submission Agreement: December 15, 2005.

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty, churning, excessive trading, material misrepresentations, omissions, suitability, and failure to supervise. The causes of action relate to Anworth Mortgage and Apex Mortgage Real Estate Investment Trusts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$121,024.60, punitive damages in the amount of \$363,073.80, lost opportunity damages, costs, and attorneys' fees.

Respondents requested dismissal of the Statement of Claim in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

By letter dated September 11, 2006 Claimants informed NASD Dispute Resolution that the parties settled this matter. On or about September 22, 2006, NASD Dispute Resolution removed this matter from its docket.

By letter dated September 28, 2006 Respondent Spring submitted a request to reopen this matter for the purposes of conducting a Rule 2130 evidentiary hearing regarding his request for expungement. By letter dated October 23, 2006 the Panel granted Respondent Spring's request. On December 6, 2006 a hearing was held regarding Respondent Spring's request for expungement.

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

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. The parties have entered into a confidential settlement agreement.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Daniel S. Spring's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 04-16, Respondent Daniel S. Spring 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 of the NASD Code of Arbitration Procedure, the arbitration panel has made the following affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous as against Respondent Daniel S. Spring.

3. Any and all relief not specifically addressed herein, including punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee	= \$ 300.00
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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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Advest, Inc. is a party.

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

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

September 12-14, 25, 2006 settled by the parties	
Claimants' share	= \$ 100.00
Respondent Advest's share	= \$ 100.00
Respondent Spring's share	= \$ 100.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

Two (2) Pre-hearing sessions with a single arbitrator@ \$450.00	= \$ 900.00
Pre-hearing conferences:	
June 20, 2006	1 session
June 27, 2006	1 session

Two (2) Pre-hearing sessions with Panel @ \$1,125.00	= \$ 2,250.00
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Three-Day Cancellation Fee	= \$ 100.00
Forum Fees	= \$ 2,925.00
Total Fees	= \$ 3,025.00
Less payments	= \$ 775.00
Balance Due NASD Dispute Resolution	= \$ 2,250.00

4. Respondents are jointly and severally liable for:

Forum Fees	= \$	562.50
Total Fees	= \$	562.50
Less Payments	= \$	562.50
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

Cheryl H. Agnis, PhD	-	Public Arbitrator, Presiding Chairperson
Lynne M. Reid-McQueen, Esq.	-	Public Arbitrator
Robert Masiello	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Cheryl H. Agnis

Cheryl H. Agnis, PhD
Public Arbitrator, Presiding Chairperson

12/8/06

Signature Date

Lynne M. Reid-McQueen, Esq.
Public Arbitrator

Signature Date

Robert Masiello
Non-Public Arbitrator

Signature Date

December 26, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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