

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Webster Family Trust dtd 12/29/92, Darrell L. Webster and Barbara P. Webster,
Claimants v. McDonald Investments, Inc., Respondent

Case Number: 06-00352

Hearing Site: Salt Lake City, Utah

Nature of the Dispute: Customers v. Member

REPRESENTATION OF PARTIES

For Claimants:

Randall R. Heiner, Esq.
Heiner Law Offices
Salt Lake City, Utah

For Respondent:

Steven R. Maylnn, Esq.
Giffen & Kaminski, LLC
Cleveland, Ohio

CASE INFORMATION

Statement of Claim filed: January 17, 2006

Claimants' Joint Uniform Submission Agreement signed: November 3, 2005

Statement of Answer and Motion for More Definite Statement of Claim filed by
Respondent: April 7, 2006

Respondent 's Uniform Submission Agreement signed: May 4, 2006

CASE SUMMARY

Claimants alleged violation of Section 10(b) of the Securities Exchange Act of 1934 15 U.S.C. §78j and violation of Rule 10b-5; breach of fiduciary duty, breach of contract, negligence, negligent supervision, and respondeat superior. Claimants' allegations involved investments in CISCO Systems and PIMCO LP.

Respondent denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested \$567,787.00 in compensatory damages, unspecified punitive damages, pre- and post-judgment interest at a rate of 10% per annum, and costs, including attorney's fees.

Respondent requested dismissal of the Claimant's Statement of Claim in its entirety, and costs, including attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about April 7, 2006, Respondent moved the Panel to issue an Order requiring Claimants to file a More Definite Statement of Claim. On or about May 15, 2006, a telephonic pre-hearing conference was held, attended by Parties and the Panel. At that conference, the Panel and the parties agreed that Respondent's Motion for More Definite Statement would be better treated as a Motion to Dismiss. The Panel reserved the date of July 7, 2006, for a telephonic pre-hearing conference in order that the parties could present oral argument on Respondent's Motion to Dismiss. On July 7, 2006, a telephonic pre-hearing conference was held, attended by the Parties and the Panel. After due deliberation in an executive session, the Panel granted the Motion to Dismiss.

The panel 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 Respondent's Motion to Dismiss, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Claimants' claims are denied in their entirety.
- 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	= \$ 375.00
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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 McDonald Investments Inc. is a party and the following fees are assessed:

Member Surcharge	= \$2,250.00
Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$4,000.00
Total Member Fees	= \$7,000.00

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

(2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session	= \$2,400.00
Pre-hearing conferences: May 15, 2006	1 session
July 7, 2006	1 session

Total Forum Fees	= \$2,400.00
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1. The Panel assessed \$1,200.00 of the forum fees jointly and severally to Claimants.
2. The Panel assessed \$1,200.00 of the forum fees to Respondent.

Fee Summary

1. Claimants are charged with the following fees and costs:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 1,200.00
Total Fees	= \$ 1,575.00
Less payments	= \$(1,575.00)
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent is charged with the following fees and costs:

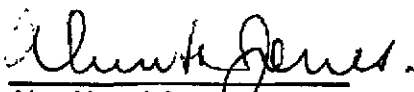
Member Fees	= \$ 7,000.00
Forum Fees	= \$ 1,200.00
Total Fees	= \$ 8,200.00
Less payments	= \$(7,000.00)
Balance Due NASD Dispute Resolution	= \$ 1,200.00

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

Alun Hywel Jones	-	Public Arbitrator, Presiding Chair
Raymond L. Betts, Esq.	-	Public Arbitrator
Jonathan H. Larson, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Alun Hywel Jones
Chair, Public Arbitrator



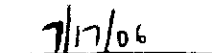
Signature Date

Raymond L. Betts, Esq.
Public Arbitrator

Signature Date

Jonathan H. Larson, Esq.
Non-Public Arbitrator

Signature Date



Date of Service

ARBITRATION PANEL

Alun Hywel Jones	-	Public Arbitrator, Presiding Chair
Raymond L. Betts, Esq.	-	Public Arbitrator
Jonathan H. Larson, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Alun Hywel Jones
Chair, Public Arbitrator

Signature Date

Raymond L. Betts, Esq.
Public Arbitrator

Signature Date



Jonathan H. Larson, Esq.
Non-Public Arbitrator

July 15, 2006
Signature Date

7/17/06
Date of Service

ARBITRATION PANEL

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Raymond L. Betts, Esq.	-	Public Arbitrator
Jonathan H. Larson, Esq.	-	Non-Public Arbitrator


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Chair, Public Arbitrator

Signature Date



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Public Arbitrator



Signature Date

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Non-Public Arbitrator

Signature Date