

STIPULATED AWARD
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Gordon H. Loetz

vs.

96-04675

Name of Respondents

IFG Network Securities, Inc.
Clive Slovin
Howard D. Ledbetter
John Bell Keeble, III
George L. Ball
Sanders Morris Mundy, Inc.
Joseph W. Jacques
Jay A. Buckingham

REPRESENTATION

For Claimant Gordon H. Loetz ("Claimant"): Lawrence P. Sandor, Esq., McGuire Woods
Battle & Boothe, Washington, D.C.

For Respondents IFG Network Securities, Inc. ("IFG"), Clive Slovin ("Slovin"), Howard D.
Ledbetter ("Ledbetter"), John Bell Keeble, III ("Keeble"), George L. Ball ("Ball"), Sanders
Morris Mundy, Inc. ("SMM"), Joseph W. Jacques ("Jacques"), and Jay A. Buckingham
("Buckingham"): Gary A. Barnes, Esq., Gambrell & Stolz, Atlanta, Georgia

CASE INFORMATION

Statement of Claim filed: October 21, 1996
Amended Statement of Claim filed: September 9, 1997
Claimant's Submission Agreement signed on: October 16, 1996

Statement of Answer of Respondent IFG filed: September 26, 1997
Joint Statement of Answer filed by Respondents Slovin, Ledbetter, Keeble, Jacques and
Buckingham on: September 26, 1997
Joint Statement of Answer filed by Respondents Ball and SMM on: September 26, 1997
Amended Statement of Answer filed by Respondents IFG, Slovin, Ledbetter, Keeble, Ball,
SMM, Jacques and Buckingham (collectively "Respondents") on: April 17, 1998

Respondent IFG's Submission Agreement signed on: October 30, 1997
Respondent Slovin's Submission Agreement signed on: July 13, 1998
Respondent Ledbetter's Submission Agreement signed on: September 3, 1998
Respondent Keeble's Submission Agreement signed on: July 8, 1998
Respondent Ball's Submission Agreement signed on: July 9, 1998
Respondent SMM's Submission Agreement signed on: September 23, 1998
Respondent Jacques's Submission Agreement signed on: July 10, 1998
Respondent Buckingham's Submission Agreement signed on: July 9, 1998

HEARING INFORMATION

Pre-Hearing Conferences: June 15, 1998/one session
July 7, 1998/one session

Hearing Date/Sessions: March 8, 1999/one session

Hearing Location: Washington Monarch Hotel
Washington, D.C.

CASE SUMMARY

In a Joint Summary of the case, the parties stated that on or about July 2, 1997, Claimant filed an Amended Statement of Claim containing the following ten causes of action: 1) Violation of NASD Rule 2110; 2) Violation of NASD Rule 3060; 3) Breach of an implied covenant of good faith and fair dealing; 4) Wrongful filing of a Uniform Termination Notice ("Form U-5"); 5) Conspiracy to injure business interests; 6) Tortious interference with contractual relations; 7) Tortious interference with prospective economic advantage; 8) Civil conspiracy; 9) Unjust enrichment; and 10) Defamation.

Immediately prior to the arbitration, Claimant voluntarily dismissed five causes of action. The remaining claims were: 1) Defamation; 2) tortious interference with contractual relations; 3) tortious interference with prospective economic advantage; 4) Civil conspiracy; and 5) Unjust enrichment.

Respondents each filed Answers denying the allegations of Claimant's Amended Statement of Claim. Specifically, Respondents raised defenses with regard to Claimant's allegations. As to the alleged defamation, Respondents asserted the truth of the statements made, that the statements were made in good faith and in compliance with all laws, and that such communications were either absolutely privileged, had a qualified privilege or were not actionable under the facts of the case. With regard to the claims of tortious interference with contractual relations and tortious interference with prospective economic advantage, Respondents contended that these claims failed to state a claim upon which relief could be granted as a matter of law either under Georgia or Maryland law.

The parties agreed to settle any and all disputes, actions, and claims regarding this arbitration. Claimant and Respondents also agreed that Respondent IFG will pay any remaining arbitration forum fees or assessments after application of any previously paid fees or fees on deposited with the NASD. Claimant agreed to dismiss and withdraw with prejudice the remainder of the Statement of Claim and all motions relating thereto as to all Respondents, with the exception of the revision and expungement of the Form U-5s.

As a part of the settlement, and prior to any hearing on the matter, and solely to compromise disputed claims, and without admission to accuracy, the parties agreed to request, and did so on March 8, 1999, that the panel issue an Award authorizing the CRD to reform the Form U-5 filed September 23, 1996 to reflect "voluntary" termination and a "no" answer to Question 15, and to expunge from the CRD record the explanation and the contents of the DRP-5's filed concurrently therewith, and to expunge from the CRD record the entire October 4, 1996 Form U-5, including the contents of the DRP-5's filed concurrently therewith. The parties agreed to be bound by the Panel's decision. The parties, in making this request, agreed to the text of the stipulation attached as Exhibit "A" to the Award.

RELIEF REQUESTED

Claimant originally requested non-specified damages relevant to the ten causes of action in the Statement of Claim and the Amended Statement of Claim.

Respondents requested in their Statement of Answer and Amended Statement of Answer that the case be dismissed in its entirety.

OTHER ISSUES CONSIDERED & 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. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

The panel considered the request of the parties at the commencement of the hearing and prior to an actual hearing on the merits in this matter, that pursuant to a voluntary settlement agreement between the Claimant and Respondents which is a compromise of disputed claims as to which the Parties have not admitted any liability, expressly denied any such liability, wrongdoing or violation of law in connection with the claims, and allegations and responses contained in the pleadings, including, but not limited to, the Statement of Claim, Amended Statement of Claim and Statements of Answer, and have entered into such settlement (Stipulation appended hereto as Exhibit A) solely to avoid the expense and inconvenience of litigation or other continuing controversy, and granted the request to issue this Award which authorizes the National Association of Securities Dealers, Inc. ("NASD") Central Registration Depository ("CRD") to revise the Form U-5 and two Disclosure Reporting Pages ("DRP") filed by Respondent IFG on September 23, 1996 and the expunge the Form U-5 and two DRP filed therewith on October 4, 1996.

AWARD

After considering the pleadings, the testimony and the stipulation executed by the parties (appended hereto as Exhibit A) and presented at the hearing, the undersigned arbitrators decided in full and final resolution of the issues submitted for determination as follows:

1. That the NASD CRD is ordered to do the following:
 - (a) Expunge and remove permanently from the CRD record the check mark in the box labeled "Discharged" on line 12 of the Form U-5 filed September 23, 1996, by IFG Network Securities, Inc. ("IFG") (firm CRD #19948) concerning Claimant Gordon H. Loetz ("Loetz") (CRD #841730);
 - (b) Place a check mark in the box labeled "Voluntary" on line 12 of the same Form U-5 filed September 23, 1996, by IFG concerning Loetz;
 - (c) Expunge and remove permanently from the CRD record the explanation on line 12 of the same Form U-5 filed September 23, 1996, by IFG concerning Loetz;
 - (d) Expunge and remove permanently from the CRD record the check mark in the "yes" box on line 15 of the same Form U-5 filed September 23, 1996, by IFG concerning Loetz;
 - (e) Place a check mark in the box labeled "No" on line 15 of the same Form U-5 filed September 23, 1996, by IFG concerning Loetz;
 - (f) Expunge and remove permanently from the CRD record the two Disclosure Reporting Pages ("DRP-5's") filed with the same Form U-5 on September 23, 1996, by IFG concerning Loetz; and
 - (g) Expunge and remove permanently from the CRD record the Form U-5 and two DRP-5's filed concurrently therewith on October 4, 1996, by IFG concerning Loetz; and
2. That the remainder of Claimant's claims, and any pending motions, against Investors Financial Group, Inc., IFG Services, Inc., Investors Financial Planning, Inc., Clive Slovin, Howard D. Ledbetter, John Bell Keeble, III, George L. Ball, Sanders Morris Mundy, Inc., Joseph W. Jacques and Jay A. Buckingham and IFG Network Securities, Inc. are hereby dismissed with prejudice; and
3. That pursuant to Claimant's and Respondents' settlement agreement, Respondent IFG will be assessed forum fees for two hearing sessions and Claimant will be assessed one hearing session; and
4. That any other relief not specifically addressed herein is denied.

OTHER COSTS

Pursuant to Rule 10333 of the Code of Arbitration Procedure ("Code"), Respondents IFG and SMM were each assessed a member surcharge of \$500.00. Both Respondents have paid the assessed surcharge.

Pursuant to Rule 10319 of the Code, Respondent IFG was assessed an adjournment fee of \$1,000.00 for the requested adjournment of the November 1998 hearing dates.

FORUM FEES

Pursuant to Rule 10205(c) of the Code, the following Forum Fees are assessed:

2 Prehearing Conferences x \$1,000.00 =	\$2,000.00
1 Hearing Session x \$1,000.00 =	<u>\$1,000.00</u>

The forum fees are assessed at \$1,000.00 to Claimant and \$2,000.00 to Respondent IFG.

Claimant shall receive credit for the hearing session deposit previously filed with the NASD, leaving no further assessment for Claimant.

Respondent IFG has a net forum fee assessment due of \$2,000.00.

The NASD will retain Claimant's filing fee of \$500.00.

Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution.

DATE

4/5/99

CONCURRING ARBITRATORS' SIGNATURES



Frank J. Wilson, Chairman
Public Arbitrator

Thomas E. Patton
Public Arbitrator

David A. Lefevre
Industry Arbitrator

Date Decision Served by NASD:

April 6, 1999

DATE

CONCURRING ARBITRATORS' SIGNATURES

4/2/99

Frank J. Wilson, Chairman
Public Arbitrator

Thomas E. Patton
Public Arbitrator

David A. Lefevre
Industry Arbitrator

Date Decision Served by NASD:

April 6, 1999

DATE

CONCURRING ARBITRATORS' SIGNATURES

Frank J. Wilson, Chairman
Public Arbitrator

Thomas E. Patton
Public Arbitrator

4/2/99

David A. Lefevre
David A. Lefevre
Industry Arbitrator

Date Decision Served by NASD: April 6, 1999

EXHIBIT A

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

GORDON H. LOETZ,

Claimant,

v.

IFG NETWORK SECURITIES, INC.;
INVESTORS FINANCIAL GROUP, INC.;
IFG SERVICES, INC.; INVESTORS
FINANCIAL PLANNING, INC.; CLIVE
SLOVIN; HOWARD D. LEDBETTER;
JOHN BELL KEEBLE, III; GEORGE L.
BALL; SANDERS MORRIS MUNDY,
INC.; JOSEPH W. JACQUES D/B/A
JOSEPH W. JACQUES, CPA, PA;
and JAY A. BUCKINGHAM D/B/A
BUCKINGHAM & CO.,

Respondents.

NASD Arbitration Case No. 96-04675

STIPULATION

Claimant and Respondents (sometimes hereinafter referred to as "Parties"), prior to any hearing on the merits in this matter, pursuant to a voluntary settlement agreement between the Parties, which is a compromise of disputed claims as to which these Parties have not admitted any liability, expressly deny any such liability, wrongdoing or violation of law in connection with the claims, and allegations and responses contained in the pleadings, including, but not limited to, the Statement of Claim and Answers, and have entered into such settlement solely to avoid the expense and inconvenience of litigation or other continuing controversy, and, therefore, stipulate as follows:

1. The Parties agreed to request on March 8, 1999, and did so request on that date of the Arbitration Panel to order the Central Registry Depository of the NASD ("CRD") to:

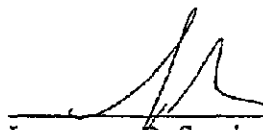
- (a) Expunge and remove permanently from the CRD record the check mark in the box labeled "Discharged" on line 12 of the Form U-5 filed September 23, 1996, by IFG Network Securities, Inc. ("IFGNS") (firm CRD #19948) concerning Claimant Gordon H. Loetz ("Loetz") (CRD # 841730);
- (b) Place a check mark in the box labeled "Voluntary" on line 12 of the same Form U-5 filed September 23, 1996, by IFGNS concerning Loetz;
- (c) Expunge and remove permanently from the CRD record the explanation on line 12 of the same Form U-5 filed September 23, 1996, by IFGNS concerning Loetz;
- (d) Expunge and remove permanently from the CRD record the check mark in the "yes" box on line 15 of the same Form U-5 filed September 23, 1996, by IFGNS concerning Loetz;
- (e) Place a check mark in the box labeled "No" on line 15 of the same Form U-5 filed September 23, 1996, by IFGNS concerning Loetz;
- (f) Expunge and remove permanently from the CRD record the two Disclosure Reporting Pages ("DRP-5's") filed with the same Form U-5 on September 23, 1996, by IFGNS concerning Loetz; and
- (g) Expunge and remove permanently from the CRD record the Form U-5 and two DRP-5's filed concurrently therewith on October 4, 1996, by IFGNS concerning Loetz.

2. Claimant agrees that all claims, and any pending motions, against Investors Financial Group, Inc., IFG Services, Inc., Investors Financial Planning, Inc., Clive Slovin, Howard D. Ledbetter, John Bell Keeble, III, George L. Ball, Sanders Morris Mundy, Inc., Joseph W. Jacques, Jay A. Buckingham and IFG Network Securities, Inc. be dismissed with prejudice.

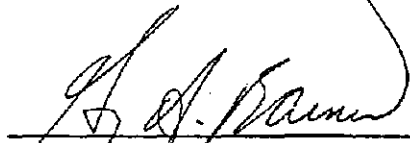
3. In addition, pursuant to Claimant's and Respondents' agreement, IFG Network Securities, Inc. will pay any remaining Arbitration hearing/forum fees after application of any previously paid fees or fees on deposit with the NASD.

This 25th day of March, 1999.

RESPECTFULLY SUBMITTED,



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