

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Nicholas Zecchino Jr. and Donato Zecchino (Claimants) v. Quest Capital Strategies, Inc., Northeast Securities, Inc., Richard A. Skinner t/a RAS Financial Services, an unincorporated entity, David Yu, Carol Tsei a/k/a Carol Yu, Joyce Lubbers, National Financial Services Corporation, and Bear Stearns Securities Corp. (Respondents)

and

Nicholas and Anita Lupo, Dino Farnese, Rocco Gencarelli, Gencarelli's Bakery, Rocco and Judy Baldi, Pasquale Marino, Franco and Lucille Linarducci, Raymond and Susan DeCarlo, John and Barbara Caraway, Maureen J. Princiotta, Daniel Thomas, Steven DiGeronimo, Joseph and Pearl DiGeronimo, and John Dakis (Claimants) v. Quest Capital Strategies, Inc., Northeast Securities, Inc., Richard A. Skinner t/a RAS Financial Services, an unincorporated entity, David Yu, Carol Tsei a/k/a Carol Yu, Joyce Lubbers, Schroder & Co. f/k/a Wertheim Schroder & Co., National Financial Services Corporation, and Bear Stearns Securities Corp. (Respondents)

Case Number: 99-01517 (Consolidated w/99-01364) Hearing Site: New York, New York

99-01517

Nature of the Dispute: Customers vs. Members and Associated Persons

99-01364

Nature of the Dispute: Customers vs. Members and Associated Persons.

REPRESENTATION OF PARTIES

Claimants Nicholas and Anita Lupo ("Lupo"), Dino Farnese ("Farnese"), Rocco Gencarelli ("Gencarelli") Gencarelli's Bakery ("Gencarelli's Bakery"), Rocco and Judy Baldi ("Baldi"), Pasquale Marino ("Marino"), Franco and Lucille Linarducci ("Linarducci"), Raymond and Susan DeCarlo ("DeCarlo"), John and Barbara Caraway ("Caraway"), Maureen J. Princiotta ("Princiotta"), Daniel Thomas ("Thomas"), Steven DiGeronimo ("S. DiGeronimo"), Joseph and Pearl DiGeronimo ("J. and P. DiGeronimo"), John Dakis ("Dakis"), Nicholas Zecchino, Jr. ("N. Zecchino"), and Donato Zecchino ("D. Zecchino") hereinafter collectively referred to as "Claimants": Russell S. Burnside, Esq., Greenberg Dauber Epstein & Tucker, P.C., Newark, NJ.

Respondent Schroder & Co. f/k/a Wertheim Schroder & Co. ("Schroder"): Stephen Young, Esq., Keesal, Young & Logan, P.C., Long Beach, CA.

Respondent National Financial Services Corporation ("NFSC"): Michael G. Shannon,

Esq., Brown, Raysman, Millstein, Felder & Steiner, New York, NY. Previously represented by: Michael G. Shannon, Esq., Phillips, Lytle, Hitchcock, Blaine & Huber, LLP, New York, NY.

Respondents Bear Stearns Securities Corp. ("Bear") and Northeast Securities, Inc. ("Northeast"): Charles M. O'Rourke, Esq., Woodbury, NY. Previously represented by: Timothy P. Kebbe, Esq., Lehman & Eilen, LLP, Uniondale, NY.

Respondents Quest Capital Strategies, Inc. ("Quest"), David Yu ("D. Yu") and Carol Tsei a/k/a Carol Yu ("C. Yu"): David Bolton, Esq., Garden City, NY. Previously represented by: Richard C. Pali, Esq., Points & Authorities, et al., Woodland Hills, CA. Previously represented by: David E. Robbins, Esq., Kaufmann, Feiner, Yamin, Gildin & Robbins, LLP, New York, NY.

Respondent Joyce Lubbers ("Lubbers") appeared *pro se*.

Respondent Richard A. Skinner ("Skinner") did not make an appearance in this matter.

CASE INFORMATION

99-01517

Statement of Claim filed on or about: March 24, 1999.

Amended Statement of Claim filed on or about: December 9, 2001.

Lupo signed the Uniform Submission Agreement: November 16, 1998.

Farnese signed the Uniform Submission Agreement: December 2, 1998.

Gencarelli signed the Uniform Submission Agreement: November 16, 1998.

Gencarelli's Bakery signed the Uniform Submission Agreement: November 16, 1998.

Baldi signed the Uniform Submission Agreement: November 16, 1998.

Marino signed the Uniform Submission Agreement: October 28, 1998.

Linarducci signed the Uniform Submission Agreement: October 29, 1998.

DeCarlo signed the Uniform Submission Agreement: November 6, 1998.

Caraway signed the Uniform Submission Agreement: June 24, 1999.

Princiotta signed the Uniform Submission Agreement: December 8, 1998.

Thomas signed the Uniform Submission Agreement: November 27, 1998.

S. DiGeronimo signed the Uniform Submission Agreement: November 16, 1998.

J. and P. DiGeronimo signed the Uniform Submission Agreement: October 28, 1998.

Dakis signed the Uniform Submission Agreement: November 16, 1998.

Statement of Answer and Motion to Dismiss filed by Schroder on or about: November 5, 1999.

Schroder did not sign a Uniform Submission Agreement.

Motion for Pre-Hearing Dismissal of the Statement of Claim and for Sanctions, and alternatively, for an Order Directing Claimants to Specify Relevant Facts Supporting any

Claims against Movant, and Answer filed by NFSC on or about: December 2, 1999.
NFSC signed the Uniform Submission Agreement: July 19, 1999.

Motion to Dismiss, or in the alternative, Statement of Answer filed by Bear on or about:
September 30, 1999.
Bear signed the Uniform Submission Agreement: August 11, 1999.

Motion to Dismiss Cross-Claim, or in the alternative Statement of Answer filed by
Northeast on or about: October 19, 1999.
Answer to Amended Statement of Claim, Cross-Claims, and Third-Party Claim filed by
Northeast on or about: January 24, 2002.
Northeast signed the Uniform Submission Agreement: August 23, 1999.

Answer, and Motion for a More Definite Statement and Cross-Motion for
indemnification filed by Quest, D. Yu, and C. Yu, and Motion to Dismiss filed by C. Yu
on or about: October 14, 1999.

Response of Quest, C. Yu, and D. Yu to Lubbers' Response and Cross-Complaint filed
on or about: October 8, 2003.

Quest signed the Uniform Submission Agreement: August 20, 1999.

D. Yu signed the Uniform Submission Agreement: August 20, 1999.

C. Yu signed the Uniform Submission Agreement: August 26, 1999.

Response and Cross-Complaint filed by Lubbers on or about: June 4, 2001.
Lubbers did not sign a Uniform Submission Agreement.

Skinner did not file a Statement of Answer or sign a Uniform Submission Agreement.

99-01364

Statement of Claim filed on or about: March 24, 1999.

N. Zecchino signed the Uniform Submission Agreement: March 10, 1999.

D. Zecchino signed the Uniform Submission Agreement: March 10, 1999.

Motion to Dismiss, or in the alternative, Statement of Answer filed by Bear on or about:
August 23, 1999.

Bear signed the Uniform Submission Agreement: July 22, 1999.

Statement of Answer filed by Northeast on or about: September 2, 1999.

Motion to Dismiss Cross-Claim, or in the alternative, Statement of Answer filed by
Northeast on or about: October 15, 1999.

Northeast signed the Uniform Submission Agreement: July 6, 1999.

Answer, and Motion for a More Definite Statement, and Cross-Motion for
indemnification against Northeast filed by Quest, D. Yu, and C. Yu, and Motion to
Dismiss filed by C. Yu on or about: August 24, 1999.

Quest signed the Uniform Submission Agreement: August 20, 1999.
D. Yu signed the Uniform Submission Agreement: August 20, 1999.
C. Yu did not sign the Uniform Submission Agreement.

CASE SUMMARY

99-01517

In the Statement of Claim, Claimants asserted the following causes of action: theft as to Skinner; negligent and/or fraudulent misrepresentation as to Skinner; willful and/or negligent omission as to Skinner, Quest, Northeast, D. Yu, C. Yu, and Lubbers; failure to supervise against Quest and Northeast; unjust enrichment against Quest, Skinner, and Northeast; controlling person liability under § 10(b) of the 1933 Securities and Exchange Act, 15 U.S.C. § 78j(b) against Quest and Northeast; negligence against all Respondents; unsuitability against Skinner, Quest, and Northeast; churning against Skinner, Quest, and Northeast; breach of fiduciary duty against all Respondents; common law fraud and/or equitable fraud against Skinner and Quest; respondeat superior against Quest and Northeast; failure to supervise against Quest, D. Yu, C. Yu, Lubbers and Northeast; violations of NASD Rules of Fair Practice, including Article III, against all Respondents; and violation of State and Federal RICO statutes, N.J.S.A. 2C:41-1, et seq. and 18 U.S.C. 1961 et seq., respectively, against Skinner, Quest, Northeast, D. Yu, C. Yu, and Lubbers. Claimants' claims involved American Depository Receipts of Glaxo Holdings PLC and Homestake.

In the Amended Statement of Claim, Claimants asserted the following causes of action: misrepresentation, negligent and/or fraudulent misrepresentation, violation of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1, et seq., negligence, unsuitability, breach of fiduciary duty, common law fraud and/or equitable fraud as to Skinner; negligence, failure to supervise, controlling person liability under § 10(b) of the 1933 Securities and Exchange Act, 15 U.S.C. § 78j(b), respondeat superior, principle-agent liability; and/or employer-employee liability as to Quest, D. Yu, and C. Yu and Northeast. Claimants' claims involved American Depository Receipts of Glaxo Holdings PLC and Homestake.

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

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

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

Unless specifically admitted in its Answer to the Amended Statement of Claim, Northeast denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In its Cross-Claim, Northeast asserted the following: failure of Quest to properly set forth the circumstances and causes of Skinner's termination from Quest.

Unless specifically admitted in its Answer to Quest's, D. Yu's, and C. Yu's Cross-Claim, Northeast denied the allegations made in the Cross-Claim and asserted various affirmative defenses.

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

In their Cross-Claim against Northeast, Quest, D. Yu, and C. Yu asserted that Northeast failed to properly supervise Skinner.

Unless specifically admitted in their Response to Lubbers' Response and Cross-Complaint, Quest, D. Yu, and C. Yu denied the allegations made in the Cross-Complaint.

Unless specifically admitted in her Response, Lubbers denied the allegations made in the Statement of Claim.

In her Counter-Complaint against Claimants, Lubbers asserted: frivolous litigation. In her Cross-Complaint against Quest, D. Yu, and C. Yu, Lubbers asserted: fraud (intentional misrepresentations of facts with intent to defraud Claimant of her property; theft; perjury; conspiracy to commit fraud; retaliatory termination; and defamation. In her Cross-Complaint against Skinner and NFSC, Lubbers asserted: Skinner and NFSC ignored all Lubbers' instructions to stop his and Quest's dangerous trading.

99-01364

Claimants asserted the following causes of action: theft as to Skinner; negligent and/or fraudulent misrepresentation as to Skinner; willful and/or negligent omission as to Skinner, Quest Northeast, D. Yu, C. Yu, and Lubbers; failure to supervise against Quest and Northeast; unjust enrichment against Quest, Skinner, and Northeast; controlling person liability under § 10 (b) of the 1933 Securities and Exchange Act, 15 U.S.C. §78j(b) against Quest and Northeast; negligence against all Respondents; unsuitability against Skinner, Quest, and Northeast; breach of fiduciary duty against all Respondents; common law fraud and/or equitable fraud against Skinner and Quest; respondeat superior against Quest and Northeast; failure to supervise against Quest, D. Yu, C. Yu, Lubbers, and Northeast; violation of the NASD Rules of Fair Practice, including Article III, against all Respondents; and violation of State and Federal RICO statutes, N.J.S.A. 2C:41-1, et seq. and 18 U.S.C. 1961, et seq., respectively, against Skinner, Quest Northeast, D. Yu, C. Yu, and Lubbers. Unless specifically admitted in its Answer, Bear denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

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

Unless specifically admitted in its Motion to Dismiss the Cross-Claim or Answer, Northeast denied the allegations made in the Cross-Claim and asserted various affirmative defenses.

In its Third-Party Claim against Gencarelli, Northeast asserted: breach of loan agreement; unjust enrichment; and fraud and deceit.

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

In their Cross-Claim against Northeast, Quest, D. Yu, and C. Yu asserted that Northeast failed to properly supervise Skinner.

RELIEF REQUESTED

99-01517

In the Statement of Claim, Claimant requested compensatory damages in the amount of \$500,000.00; pre-award interest; damages for mental and emotional anguish; costs, including reasonable attorneys' fees; punitive damages; post-judgment interest; an Order compelling Quest, Schroder, NFSC, Northeast, and Bear to implement corrective measure, such as better controls, check and procedures, to deter future conduct like that of Skinner; and such other and further relief as the Arbitration Panel deems just and equitable.

In the Amended Statement of Claim, Claimants requested compensatory damages against Quest, D. Yu, and C. Yu, jointly and severally, in the amount of \$2,233,932.90; against Northeast in the amount of \$884,830.67; and against Skinner in the amount of \$3,078,763.57; damages for mental and emotional anguish, jointly and severally against all Respondents; costs, including reasonable attorneys' fees, jointly and severally against all Respondents; punitive or treble damages; post-judgment interest; and such other and further relief as the Arbitration Panel deems just and equitable.

Schroder requested that all claims against them be dismissed; that Claimants take nothing by their Statement of Claim; Schroder be awarded its costs of suit; and such other relief as the Arbitration Panel may deem just and appropriate.

NFSC requested that all claims against them be dismissed with prejudice and in advance of the hearing; as a sanction against Claimants for asserting frivolous claims against NFSC; that NFSC be awarded its costs including counsel fees; and all forum fees be assessed against Claimants.

Bear requested that the Statement of Claim be dismissed, and that reasonable attorneys'

fees, costs, and disbursements of this proceeding be assessed against Claimants, together with such other and further relief deemed just and proper.

Northeast requested that all Claimants' claims be dismissed, that its Third-Party claim against Gencarelli pursuant to an accounting be awarded and that its Cross-Claims against Quest and Skinner be awarded in an amount to be determined by the Arbitration Panel (with offset to Skinner against his partial assignment of the Gencarelli claim), plus reasonable attorneys' fees, forum fees, costs, expert witness fees, and such other relief as the Arbitration Panel deems just and equitable.

In its Motion to Dismiss Cross-Claim or Answer, Northeast requested that the Cross-Claim be dismissed in its entirety and with prejudice; reasonable attorneys' fees, costs, and disbursements of defending the Cross-Claim; and granting Northeast such other and further relief as the Panel deems just and proper.

Quest, D. Yu, and C. Yu requested that the Arbitrators dismiss all claims; that all NASD fees be assessed against Claimants; and that Claimants reimburse Respondents the attorneys' fees they have and will incur in the defense of this meritless arbitration.

In their Cross-Claim, Quest, D. Yu, and C. Yu requested that in the event an Award is rendered in favor of Claimants and against them, then they be awarded any losses or damages sustained by reason thereof and in the defense of the Statement of Claim.

In their response to Lubbers' Cross-Complaint, Quest, D. Yu, and C. Yu requested that Lubbers' claims be dismissed in their entirety.

Lubbers requested from Claimants, general damages in the amount of \$2,700.00 and punitive damages in the amount of \$25,000.00; from Quest, D. Yu, and C. Yu, general damages in the amount of \$2,700.00, consequential damages in the amount of \$675,000.00, punitive damages in the amount of \$500,000.00.

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In the Statement of Claim, Claimants requested compensatory damages in the amount of \$300,000.00; pre-award interest; damages for mental and emotional anguish; costs, including reasonable attorneys' fees; punitive damages; post-judgment interest; and Order compelling Quest, NFSC, Northeast, and Bear to implement corrective measure, such as better controls, checks and procedures, to deter future conduct like that of Skinner; and such other and further relief as the Arbitration Panel deems just and equitable.

Bear requested that the Statement of Claim be dismissed and the costs of this proceeding assessed against Claimants, together with such other and further relief as is deemed appropriate.

Northeast requested that the Panel dismiss the Statement of Claim and assess all costs against the Claimants, including reasonable attorneys' fees, and grant Northeast such other and further relief deemed appropriate.

In its Motion to Dismiss Cross-Claim or Answer, Northeast requested that the Cross-Claim be dismissed in its entirety and with prejudice; attorneys' fees, costs and disbursements of defending the Cross-Claim; and such other and further relief as the Panel deems just and proper.

Quest, D. Yu, and C. Yu requested that the Arbitrators dismiss all claims, that all NASD fees be assessed against Claimants, and that Claimants reimburse them for the attorneys' fees they have and will incur in the defense of this meritless arbitration.

In their Cross-Claim, Quest, D. Yu, and C. Yu requested that in the event an Award is rendered in favor of Claimants and against them, then they be awarded any losses or damages sustained by reason thereof and in the defense of the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent Skinner has been properly served with the initial Statement of Claim and received due notice of the hearing and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents Schroder, Lubbers, and Skinner, and C. Yu (in Arbitration No. 99-01364) did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements, but are required to submit to arbitration pursuant to the Code and, having answered the claim, and appeared and testified at the hearing (with the exception of Skinner, are bound by the determination of the Panel on all issues submitted.

On or about August 30, 1999 NFSC requested that NASD Dispute Resolution ("NASD DR") consolidate Arbitration No. 99-01517 with NASD DR Arbitration No. 99-01364. By letter dated September 3, 1999, NASD DR was notified that Quest, D. Yu, and C. Yu joined in the request for consolidation of the two cases. Claimants took no position with respect to the consolidation. On or about November 24, 1999, the Director of Arbitration made a determination to grant the request for consolidation of NASD DR Arbitration Nos. 99-01517 and 99-01364.

On or about July 20, 2001, the Panel determined to dismiss all claims against Schroder, Bear, and NSFC ("the clearing firms") based on the following: "The facts in the Statement of Claim, even if assumed to be true for the sake of the motions to dismiss, does not support any claim that Respondents Schroder, NFSC, or Bear Stearns breached a duty to Claimants under negligence law, federal securities law, or otherwise.

Accordingly, the clearing firms' motions to dismiss are granted and they are dismissed with prejudice from this matter."

The Panel has determined that all claims against Skinner are dismissed for failure to serve the Amended Statement of Claim upon him.

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

After considering the pleadings, and the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The claims of Franco and Lucille Linarducci against Northeast are dismissed in their entirety.
2. The claims of Nicholas Zecchino against Northeast are dismissed in their entirety.
3. The claims of Donato Zecchino against Northeast are dismissed in their entirety.
4. Northeast is liable for and shall pay to Pasquale Marino compensatory damages in the amount of \$22,997.00, plus interest at the rate of 5% per annum from January 23, 1997 through December 29, 2003.
5. Quest is liable for and shall pay to Joseph and Pearl DiGeronimo compensatory damages in the amount of \$32,258.00, plus interest at the rate of 5% per annum from April 21, 1995 through December 29, 2003.
6. Quest is liable for and shall pay to Rocco and Judith Baldi compensatory damages in the amount of \$36,424.00, plus interest at the rate of 5% per annum from January 5, 1995 through December 29, 2003.
7. The claims of Rocco and Judith Baldi IRA are hereby dismissed in their entirety.
8. Quest is liable for and shall pay to John J. Dakis compensatory damages in the amount of \$54,247.00, plus interest at the rate of 5% per annum from February 7, 1995 through December 29, 2003.
9. Quest is liable for and shall pay to Franco and Lucille Linarducci compensatory damages in the amount of \$1,091.00, plus interest at the rate of 5% per annum from February 6, 1995 through December 29, 2003.

10. Quest is liable for and shall pay to Daniel Thomas and Maureen Princiotta compensatory damages in the amount of \$12,000.00, plus interest at the rate of 5% per annum from December 5, 1994 through December 29, 2003.
11. Quest is liable for and shall pay to Nick and Anita Lupo compensatory damages in the amount of \$10,500.00, plus interest at the rate of 5% per annum from November 24, 1994 through December 29, 2003.
12. The claims of Dino Farnese are hereby dismissed in their entirety.
13. Quest is liable for and shall pay to Nicholas Zecchino compensatory damages in the amount of \$75,000.00, plus interest at the rate of 5% per annum from December 7, 1994 through December 29, 2003.
14. The claims of John and Barbara Caraway are hereby dismissed in their entirety.
15. The claims of Rocco Gencarelli are hereby dismissed in their entirety.
16. The claims of Gencarelli Bakery are hereby dismissed in their entirety.
17. All claims and Cross-claims against Richard Skinner are dismissed in their entirety.
18. All claims against David Yu and Carol Yu are dismissed in their entirety.
19. Lubbers Counterclaims are dismissed in their entirety.
20. Lubbers Cross-Claims against Quest, David Yu, and Carol Yu are dismissed. With respect to the RICO Cross-Claims of Lubbers against Quest, David Yu, and Carol Yu; said RICO claims are dismissed because Lubbers has failed to prove (1) a pattern of racketeering, and (2) a RICO injury. In particular, Lubbers has failed, among other things, to prove that Quest, David Yu, and Carol Yu engaged in (1) perjury, (2) witness tampering, (3) forgery or falsification of any documents, (4) a conspiracy to defame, discredit or otherwise injure Lubbers, (5) false or illegal advertising, (6) a conspiracy to commit securities fraud, and (7) illegal retaliatory discharge of Lubbers.
21. Any and all relief not specifically addressed herein, including punitive and/or treble damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

99-01517

Filing Fees

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

Initial claim filing fee	= \$ 600.00
Northeast's Cross-Claim filing fee	= \$ 500.00
Quest's, D. Yu's & C. Yu's Cross-Claim filing fee	= \$1,000.00
Lubbers' Cross-Claim filing fee	= \$ 500.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Schroder & Co. is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Bear Stearns Securities Corp. is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, National Financial Services Corporation is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Northeast Securities, Inc. is a party.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Quest Capital Strategies, Inc. is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

99-01364

Filing Fees

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

Initial claim filing fee	= \$ 300.00
Quest's, D. Yu's & C. Yu's Cross-Claim filing fee	= \$1,000.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Bear Stearns Securities Corp. is a party.

Member surcharge	= \$1,500.00
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Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, National Financial Services Corporation is a party.

Member surcharge	= \$1,500.00
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Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Northeast Securities, Inc. is a party.

Member surcharge	= \$1,500.00
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Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Quest Capital Strategies, Inc. is a party.

Member surcharge	= \$1,500.00
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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. *Note that any hearing session held prior to December 9, 2001 will be assessed at \$1,125.00; any hearing session held after December 9, 2001 will be assessed at \$1,200.00.*

Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: May 18, 2001 1 session	
Two (2) Pre-hearing sessions with Panel @ \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: August 2, 2002 1 session	

	January 24, 2003	1 session	
Sixty-five (65) Hearing sessions @ \$1,200.00			= \$78,000.00
Hearing Dates:	February 10, 2003	1 session	
	February 11, 2003	2 sessions	
	February 12, 2003	1 session	
	February 13, 2003	2 sessions	
	February 14, 2003	2 sessions	
	March 18, 2003	2 sessions	
	March 19, 2003	2 sessions	
	March 20, 2003	2 sessions	
	March 21, 2003	1 session	
	May 13, 2003	2 sessions	
	May 14, 2003	2 sessions	
	May 15, 2003	2 sessions	
	July 21, 2003	2 sessions	
	July 22, 2003	2 sessions	
	July 23, 2003	2 sessions	
	July 24, 2003	2 sessions	
	July 25, 2003	2 sessions	
	July 28, 2003	2 sessions	
	July 30, 2003	2 sessions	
	July 31, 2003	2 sessions	
	September 17, 2003	2 sessions	
	September 18, 2003	1 session	
	September 19, 2003	2 sessions	
	October 22, 2003	2 sessions	
	October 23, 2003	2 sessions	
	October 24, 2003	1 session	
	October 30, 2003	2 sessions	
	October 31, 2003	1 session	
	November 3, 2003	2 sessions	
	November 4, 2003	2 sessions	
	November 5, 2003	2 sessions	
	December 2, 2003	1 session	
	December 3, 2003	2 sessions	
	December 15, 2003	2 sessions	
	December 16, 2003	2 sessions	
	December 17, 2003	2 sessions	
Total Forum Fees			= \$81,525.00

1. The Panel has assessed \$20,381.25 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$20,381.25 of the forum fees against Lubbers.

3. The Panel has assessed \$10,190.62 of the forum fees against Northeast.
4. The Panel has assessed \$30,571.87 of the forum fees jointly and severally against Quest, D. Yu, and C. Yu.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Quest, D. Yu, and C. Yu requested duplicates of cassettes = \$1,215.00
2. Lubbers requested photocopies/duplicates of cassettes = \$ 526.98

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee (99-01517)	= \$ 600.00
Initial Filing Fee (99-01364)	= \$ 300.00
Forum Fees	= \$20,381.25
Total Fees	= \$21,281.25
<u>Less payments</u>	<u>= \$ 3,000.00</u>
Balance Due NASD Dispute Resolution	= \$18,281.25
2. Schroder is solely liable for:

<u>Member Fees (99-01517)</u>	<u>= \$4,600.00</u>
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$4,600.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00
3. Bear is solely liable for:

Member Fees (99-01517)	= \$4,600.00
<u>Member Fees (99-01364)</u>	<u>= \$1,500.00</u>
Total Fees	= \$6,100.00
<u>Less payments</u>	<u>= \$5,100.00</u>
Balance Due NASD Dispute Resolution	= \$1,000.00
4. NFSC is solely liable for:

Member Fees (99-01517)	= \$4,600.00
<u>Member Fees (99-01364)</u>	<u>= \$1,500.00</u>
Total Fees	= \$6,100.00
<u>Less payments</u>	<u>= \$6,100.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

5. Northeast is solely liable for:	
Cross-Claim Filing Fee (99-01517)	= \$ 500.00
Member Fees (99-01517)	= \$ 6,100.00
Member Fees (99-01364)	= \$ 1,500.00
<u>Forum Fees</u>	= \$10,190.62
Total Fees	= \$18,290.62
<u>Less payments</u>	= \$ 6,100.00
Balance Due NASD Dispute Resolution	= \$12,190.62
6. Lubbers is solely liable for:	
Cross-Claim Filing Fee (99-01517)	= \$ 500.00
Administrative Costs	= \$ 526.98
<u>Forum Fees</u>	= \$20,381.25
Total Fees	= \$21,408.23
<u>Less payments</u>	= \$ 165.00
Balance Due NASD Dispute Resolution	= \$21,243.23
7. Quest is solely liable for:	
Member Fees (99-01517)	= \$ 7,600.00
Member Fees (99-01364)	= \$ 1,500.00
Total Fees	= \$ 9,100.00
<u>Less payments</u>	= \$ 7,225.00
Balance Due NASD Dispute Resolution	= \$ 1,875.00
8. Quest, D. Yu, and C. Yu are jointly and severally liable for:	
Cross-Claim Filing Fee (99-01517)	= \$ 1,000.00
Cross-Claim Filing Fee (99-01364)	= \$ 1,000.00
Administrative Costs	= \$ 1,215.00
<u>Forum Fees</u>	= \$30,571.87
Total Fees	= \$33,786.87
<u>Less payments</u>	= \$ 1,000.00
Balance Due NASD Dispute Resolution	= \$32,786.87

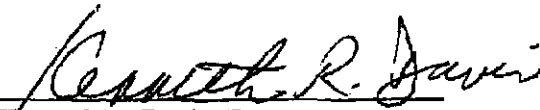
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

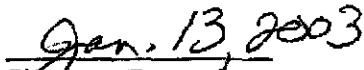
ARBITRATION PANEL

Kenneth R. Davis, Esq.	-	Public Arbitrator, Presiding Chair
John J. McCaffery	-	Public Arbitrator
Thomas Caiaffa	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.


Kenneth R. Davis, Esq.
Public Arbitrator, Presiding Chairperson


Signature Date

John J. McCaffery
Public Arbitrator

Signature Date

Thomas Caiaffa
Non-Public Arbitrator

Signature Date

January 16, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

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Signature Date



John J. McCaffery
Public Arbitrator



Signature Date

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Non-Public Arbitrator

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Public Arbitrator

Signature Date



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