

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Joely White

Case No. 99-01752

Names of Respondents

David W. Reimer
Argent Securities, Inc.
Louis Phillips Reames, Sr.
Kenneth Edward Brill
William Louis Mello
Timothy Wayne McAfee

REPRESENTATION OF PARTIES

For Joely White hereinafter referred to as "Claimant": Robert A. Uhl, Esq. of Aidikoff & Uhl, Beverly Hills, CA.

For Respondent David W. Reimer ("Reimer"): Eugene E. Igoglia, Esq. of Swidler, Berlin, Shereff, Friedman, LLP, New York, NY.

For Respondent Argent Securities, Inc. ("Argent"), Louis Phillips Reames, Sr. ("Reames"), Kenneth Edward Brill ("Brill"), William Louis Mello ("Mello"), and Timothy Wayne McAfee ("McAfee"): George D. Fagan, Esq. of Leake, Anderson & Mann, LLP, New Orleans, LA.

CASE INFORMATION

Statement of Claim filed on or about: April 14, 1999.

First Amended Statement of Claim filed on or about: September 7, 1999.

Claimant signed the Uniform Submission Agreement: April 13, 1999.

Statement of Answer of Respondent Reimer filed on or about: June 30, 1999.

Respondent Reimer's Reassertion of Statement of Answer filed on or about: October 25, 1999.

Respondent Reimer signed the Uniform Submission Agreement: June 29, 1999.

Statement of Answer of Respondent Argent Securities, Inc. filed on or about: August 2, 1999.

Statement of Answer of Respondent Argent Securities, Inc. in Response to Amended Statement of Claim filed on or about: September 20, 1999.

Respondent Argent signed the Uniform Submission Agreement: July 28, 1999.

Answer to Statement of Claim and Motion to Dismiss filed by Respondents Reames, Brill, Mello, and McAfee on or about: November 8, 1999.

Respondent Reames signed the Uniform Submission Agreement: September 14, 1999.
Respondent Brill signed the Uniform Submission Agreement: October 4, 1999.
Respondent Mello signed the Uniform Submission Agreement: October 13, 1999.
Respondent McAfee signed the Uniform Submission Agreement: November 2, 1999.

CASE SUMMARY

Claimant alleged the following: Claimant is an unsophisticated investor who was cold-called by Respondent Reimer, an employee of Respondent Argent, who solicited him to open an account. Thereafter, Reimer solicited Claimant to invest \$267,000.00 with Argent which he used to purchase 30,000 shares of Swisher International ("Swisher"), a speculative high risk stock which was not suitable for Claimant. The share price of Swisher collapsed and Swisher went out of business. Claimant suffered damages as a result. Respondents Reames, Brill, Mello, and McAfee were control persons of Argent and, therefore, are liable for the wrongful conduct and resulting damages.

Unless specifically admitted in their Answer, Respondents Argent, Reames, Brill, Mello, and McAfee denied the allegations made in the Statement of Claim and alleged the following: Respondent Reimer is the only Respondent who had any contact with Claimant. The investments made by Claimant with the assistance of Respondent Reimer were entirely consistent with the investment objectives voiced by Claimant. Those investments were also entirely consistent with Claimant's other trading activity through avenues other than Respondent Argent. Claimant's trading history confirmed he consistently sought speculative profits and/or aggressive growth through his active trading. The investments Claimant made through Respondent Argent were made with full knowledge of the associated risks incumbent with those investments. There were no misrepresentations made on behalf of any of the Respondents. Claimant transferred his account from Respondent Argent on July 28, 1997. Claimant continued to maintain his position in the Swisher stock for a period of ten months thereafter. The value of the Swisher stock remained relatively constant until April or May of 1998 when the stock price decreased rather dramatically amidst reports of some alleged accounting irregularities. Claimant's loss as of the date he transferred his account from Argent was approximately \$35,000.00. Respondents cannot be held responsible for subsequent losses that occurred almost a year later.

Unless specifically admitted in his Answer, Respondent Reimer denied the allegations made in the Statement of Claim, adopted the positions set forth in the case summary of the other Respondents above, and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of \$170,000.00, costs, punitive damages, attorneys' fees, interest, and such other and further relief as this panel deemed just and appropriate.

Respondent Reimer requested that the Statement of Claim be dismissed with prejudice,

reimbursement of costs, expenses, attorneys' fees, and such other and further relief as the Panel deemed just and proper.

Respondent Argent requested that the Statement of Claim be dismissed in its entirety, reimbursement of costs, and attorneys' fees.

Respondents Reames, Brill, Mello, and McAfee requested that the Statement of Claim be dismissed in its entirety, reimbursement of costs, attorneys' fees, and the expungement of all references to the above captioned arbitration from their registration records maintained by the NASD Central Registration Depository ("CRD").

OTHER ISSUES CONSIDERED AND DECIDED

On or about February 28, 2000, Respondents Reames, Brill, Mello, and McAfee filed a Motion to Dismiss. Claimant filed a response to the Motion on or about March 14, 2000. Respondents Reames, Brill, Mello, and McAfee filed a reply memorandum in support of the Motion to Dismiss on or about April 3, 2000. On or about April 19, 2000, the Panel issued an order which denied Respondents Reames, Brill, Mello, and McAfee's Motion to Dismiss.

On or about February 29, 2000, Respondent Reimer filed a Motion to Dismiss. Claimant filed a response to the Motion on or about March 17, 2000. Respondent Reimer filed a reply memorandum in support of the Motion to Dismiss on or about April 5, 2000. On or about April 19, 2000, the Panel issued an order which denied Respondent Reimer's Motion to Dismiss.

On or about May 22, 2000, Claimant dismissed, with prejudice, all claims against Respondents Reimer, Reames, Brill, Mello, and McAfee. On June 30, 2000, Claimant dismissed, with prejudice, all claims against Respondent Argent.

On or about June 19, 2000, the parties filed a Joint Motion of Expungement Regarding Louis Phillips Reames, Sr., Kenneth Edward Brill, William Louis Mello, and Timothy Wayne McAfee. On or about August 15, 2000, the Panel issued an order which granted Respondents Louis Phillips Reames, Sr., Kenneth Edward Brill, William Louis Mello, and Timothy Wayne McAfee's motion 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

After considering the pleadings, and the Joint Motion of Expungement, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel recommends the expungement of all references to the above captioned arbitration from Respondents Louis Phillips Reames, Sr., Kenneth Edward Brill, William Louis Mello,

and Timothy Wayne McAfee's registration records maintained by the NASD CRD with the understanding that pursuant to the NASD Notice to Members 99-09, Respondents Louis Phillips Reames, Sr., Kenneth Edward Brill, William Louis Mello, and Timothy Wayne McAfee must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

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

Initial claim filing fee = \$ 300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm, Argent, is a party.

Member surcharge = \$1,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$2,500.00

Adjournment Fees

Adjournments requested during these proceedings:

May 23-26, 2000, adjournment by Respondent Argent = Adjournment fee
waived by Panel

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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:

Two (2) Pre-hearing sessions with Panel x \$1,125.00 = \$2,250.00

Pre-hearing conferences: January 20, 2000 1 session
April 19, 2000 1 session

One (1) Hearing session x \$1,125.00 = \$1,125.00

Hearing Date: May 22, 2000 1 session

Total Forum Fees = \$3,375.00

The Panel has assessed \$1,687.50 of the forum fees to Claimant.

The Panel has assessed \$1,687.50 of the forum fees to Respondent Argent.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$1,687.50
Total Fees	= \$1,987.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 562.50

Respondent Argent be and hereby is solely liable for:

Member Fees	= \$2,100.00
Forum Fees	= \$1,687.50
Total Fees	= \$3,787.50
<u>Less payments</u>	<u>= \$2,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$1,687.50

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties.

Concurring Arbitrators' Signatures

Bernard Marcus
Public Arbitrator, Presiding Chair

Signature Date

/s/
Lydia R. Blackmon
Public Arbitrator

Signature Date

/s/
Dale A. Kaliszeski
Industry Arbitrator

Signature Date

October 11, 2001
Date of Service (For NASD-DR office use only)

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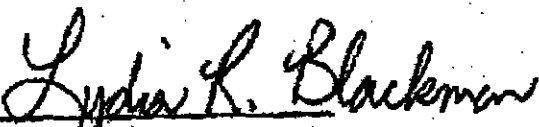
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