

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimants

Ronald and Elaine Rieley

vs.

Case No. 99-02222

Name of Respondents

Wheat First Securities, Inc.
David C. Holdsworth

REPRESENTATION OF PARTIES

Claimants, Ronald and Elaine Rieley, hereinafter collectively referred to as "Claimants": Robert E. Sharkey, Esq., Gordon, Feinblatt, Rothman and Hoffberger, Baltimore, Maryland

Respondents, Wheat First Securities, Inc. ("Wheat First") and David C. Holdsworth ("Holdsworth"), hereinafter collectively referred to as "Respondents": Brian A. Carlis, Stark & Stark, Princeton, New Jersey

CASE INFORMATION

Statement of Claim filed on or about: May 14, 1999

Claimant, (Name), signed the Uniform Submission Agreement: May 11, 1999

Statement of Answer filed by Respondents on or about: July 19, 1999

Respondent Wheat First signed the Uniform Submission Agreement: June 15, 1999

Respondent Holdsworth signed the Uniform Submission Agreement: July 17, 1999

CASE SUMMARY

Claimants asserted the following causes of action: breach of fiduciary duty; fraud; constructive fraud; conversion; negligent misrepresentation by omission; breach of contract; violation of NASD Rule IM-2310-2; violation of 15 USC Section 78j(b), Securities and Exchange Act of 1934, Section 10(B) and SEC Rule 10b-5; violation of Maryland Annotated Code, Corporations and Associations, Sections 11-301, 11-302 and 11-703; and Respondeat Superior.

Unless specifically admitted in its Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claims fail to state a claim upon which relief may be granted; Claimants directed, approved and authorized each and every transaction; Claimants ratified each and every transaction in their account; Claimants failed to mitigate any alleged damages; any alleged damages which may have occurred were caused

by factors beyond the control of Respondents; all transactions were suitable and in accordance with Claimants' investment objectives; there is no fiduciary duty owed to Claimants by Respondents as a matter of law; all duties owed to Claimants were fully and faithfully carried out; claims barred by the doctrines of ratification, waiver and estoppel, and by applicable statutes of limitation.

RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$150,000
Punitive Damages	\$500,000
Interest	Amount Not Specified
Attorneys' Fees	Amount Not Specified
Other Costs	Amount Not Specified

Respondents requested that all claims be denied in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

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

1. That Respondents, jointly and severally, are liable to and shall pay to Claimants \$31,000.00; and
2. That each party shall bear their own costs and expenses, with the exception of forum fees as specified below; and
3. That 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, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$375.00

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 is a party.

Member surcharge = \$2,000.00

Pre-hearing process fee = \$600.00

Hearing process fee = \$3,500.00

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:

1 Pre-hearing session with Panel x \$1,200 = \$1,200.00

Pre-hearing conference: January 18, 2000 1 session

10 Hearing sessions x \$1,200 = \$12,000.00

Hearing Dates: July 11, 2000 2 sessions
July 12, 2000 2 sessions
July 13, 2000 2 sessions
August 14, 2000 2 sessions
August 17, 2000 2 sessions

Total Forum Fees = \$13,200.00

The Panel assessed \$6,600.00 of the forum fees, jointly and severally, to Claimants.

The Panel assessed \$6,600.00 of the forum fees, jointly and severally, to Respondents.

Fee Summary

Claimants are jointly and severally liable for:

Initial Filing Fee	= \$375.00
Forum Fees	= <u>\$6,600.00</u>
Total Fees	= \$6,975.00
Less payments	= <u>\$1,575.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$5,400.00

Respondent Wheat First is solely liable for:

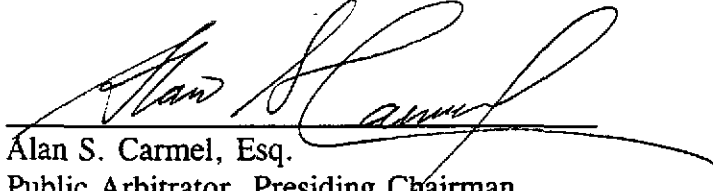
Member Fees	= \$6,100.00
Total Fees	= \$6,100.00
Less payments	= \$6,100.00
Balance Due NASD Dispute Resolution, Inc.	-00-

Respondents, Wheat First and Holdsworth, are jointly and severally liable for:

Fee Type	= \$6,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$6,600.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures


Alan S. Carmel, Esq.
Public Arbitrator, Presiding Chairman

8/30/00
Date Signed

Phillip R. Clark
Industry Arbitrator

Date Signed

Dissenting Arbitrator's Signature*

Arthur L. Beamon, Esq.
Public Arbitrator

Date Signed

*Dissents as to the amount of damages awarded only.

September 7, 2000
Date of Service (For NASD-DR office use only)

Concurring Arbitrators' Signatures

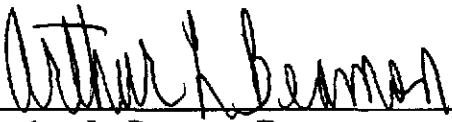
Alan S. Carmel, Esq.
Public Arbitrator, Presiding Chairman

Date Signed

Phillip R. Clark
Industry Arbitrator

Date Signed


Dissenting Arbitrator's Signature*


Arthur L. Beamon, Esq.
Public Arbitrator

09-05-00

Date Signed

*Dissents as to the amount of damages awarded only.


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Concurring Arbitrators' Signatures

Alan S. Carmel, Esq.
Public Arbitrator, Presiding Chairman

Date Signed

Phillip R. Clark

Phillip R. Clark
Industry Arbitrator

9/1/2000

Date Signed

Dissenting Arbitrator's Signature*

Arthur L. Beamon, Esq.
Public Arbitrator

Date Signed

*Dissents as to the amount of damages awarded only.

September 7, 2000
Date of Service (For NASD-DR office use only)