

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

A. Wayne McLaughlin & Dorothy McLaughlin JTWROS
A. Wayne McLaughlin
Wayne McLaughlin & Carolyn G. McLaughlin JTWROS
A. Wayne McLaughlin SEP IRA
Dorothy McLaughlin
Wayne McLaughlin, Allen Wayne McLaughlin, II,
John Cody McLaughlin & James Carol G. McLaughlin JTWROS

Case No. 99-02545

Names of Respondents

Axiom Capital Management, Inc.
Sean I. Dalton
Liam F. Dalton
William Maksudian
Maria DiChiara a/k/a Maria Wilson
Mark D. Martino

REPRESENTATION OF PARTIES

For A. Wayne McLaughlin & Dorothy McLaughlin JTWROS, A. Wayne McLaughlin, Wayne McLaughlin & Carolyn G. McLaughlin JTWROS, A. Wayne McLaughlin SEP IRA, Dorothy McLaughlin, and Wayne McLaughlin, Allen Wayne McLaughlin, II, John Cody McLaughlin & James Carol McLaughlin JTWROS, hereinafter collectively referred to as "Claimants": W. Scott Jones, Esq., Long, Parker, Warren & Jones, P.A., Asheville, North Carolina.

For Axiom Capital Management, Inc. ("Axiom"), Sean I. Dalton ("Sean Dalton"), Liam F. Dalton ("Liam Dalton"), William Maksudian ("Maksudian"), Maria DiChiara a/k/a Maria Wilson ("Wilson"), and Mark D. Martino ("Martino"), hereinafter collectively referred to as "Respondents": Evan L. Gordon, Esq., New York, New York. On or about October 22, 1999, Theodore A. Krebsbach, Esq. and Liam O'Brien, Esq., Theodore A. Krebsbach & Associates, P.C., New York, New York, substituted as counsel for Respondents.

CASE INFORMATION

Statement of Claim filed on or about: June 3, 1999.

Claimants signed the Uniform Submission Agreement on: May 31, 1999.

Statement of Answer filed by Respondents Axiom, Sean Dalton, Liam Dalton, and Martino on or about: August 2, 1999.

Motion to Dismiss filed by Respondents DiChiara and Maksudian on or about: August 2, 1999.

Respondent Axiom signed the Uniform Submission Agreement on: August 2, 1999.

Respondent Sean Dalton signed the Uniform Submission Agreement on: August 2, 1999.

Respondent Liam Dalton signed the Uniform Submission Agreement on: August 2, 1999.

Respondent Maksudian did not file an executed Uniform Submission Agreement.

Respondent Wilson did not file an executed Uniform Submission Agreement.

Respondent Martino signed the Uniform Submission Agreement on: August 2, 1999.

CASE SUMMARY

Claimants asserted the following causes of action: 1) violations of the North Carolina Securities Act; 2) churning; 3) fraud; and 4) breach of fiduciary duty. The causes of action relate to the trading of speculative and unsuitable shares of stock on margin in Claimants' accounts.

Unless specifically admitted in their Answer, Respondents Axiom, Sean Dalton, Liam Dalton, and Martino denied the allegations made in the Statement of Claim. Respondents Axiom, Sean Dalton, Liam Dalton, and Martino did not delineate specific defenses.

RELIEF REQUESTED

Claimant A. Wayne McLaughlin & Dorothy McLaughlin JTWROS requested: 1) compensatory damages in the amount of \$126,634.00 for trading losses; 2) compensatory damages in the amount of \$20,255.00 for excess commissions; 3) punitive damages in the amount of \$146,889.00; 4) interest; and 5) attorneys' fees.

Claimant A. Wayne McLaughlin requested: 1) compensatory damages in the amount of \$160,119.00 for trading losses; 2) compensatory damages in the amount of \$30,963.00 for excess commissions; 3) punitive damages in the amount of \$191,082.00; 4) interest; and 5) attorneys' fees.

Claimant Wayne McLaughlin & Carolyn McLaughlin JTWROS requested: 1) compensatory damages in the amount of \$103,165.00 in trading losses; 2) compensatory damages in the amount of \$12,740.00 for excess commissions; 3) punitive damages in the amount of \$115,905.00; 4) interest; and 5) attorneys' fees.

Claimant A. Wayne McLaughlin SEP IRA requested: 1) compensatory damages in the amount of \$1,969.00 in trading losses; 2) compensatory damages in the amount of \$249.00 for excess commissions; 3) punitive damages in the amount of \$2,209.00; 4) interest; and 5) attorneys' fees.

Claimant Dorothy McLaughlin requested: 1) compensatory damages in the amount of \$11,025.00 for trading losses; 2) compensatory damages in the amount of \$2,541.00 for excess commissions; 3) punitive damages in the amount of \$13,566.00; 4) interest; and 5)

attorneys' fees.

Claimant Wayne McLaughlin, Allen Wayne McLaughlin, II, John Cody McLaughlin & James Carol McLaughlin JTWROS requested: 1) compensatory damages in the amount of \$11,328.00 for trading losses; 2) compensatory damages in the amount of \$3,344.00 for excess commissions; 3) punitive damages in the amount of \$14,672.00; 4) interest; and 5) attorneys' fees.

Respondents Axiom, Sean Dalton, Liam Dalton, and Martino requested: 1) dismissal of the Statement of Claim; 2) costs; and 3) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents Wilson and Maksudian requested: 1) dismissal of the Statement of Claim; 2) costs; and 3) sanctions.

OTHER ISSUES CONSIDERED AND DECIDED

On or about July 11, 2000, Respondents Wilson and Maksudian withdrew their motion to dismiss.

On or about November 6, 2000, the parties notified NASD Dispute Resolution, Inc. that they had entered into a settlement agreement.

On or about November 27, 2000, the parties filed their Stipulation wherein the parties requested expungement of all references to the above-captioned arbitration proceeding from Respondents' Liam Dalton, Wilson, Maksudian, and Martino registration records maintained by the NASD Central Registration Depository ("CRD").

Respondents Maksudian and Wilson did not file with the NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

The parties have agreed that the Stipulated 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 settlement of the parties, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims are dismissed with prejudice.
2. In the event there is a notation on the NASD CRD with respect to Respondents Liam Dalton, Wilson, Maksudian, and Martino, the Panel recommends the expungement of all

references to the above-captioned arbitration proceeding from Respondents' Liam Dalton, Wilson, Maksudian, and Martino registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notice to Members 99-09, said Respondents must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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
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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

Adjournment Fees

Adjournments requested during these proceedings:

May 3, 4 and 5, 2000, joint adjournment request by the parties (\$600.00 assessed jointly and severally to Claimants) (\$600.00 assessed jointly and severally to Respondents)	= \$1,200.00
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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:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: October 11, 2000 1 session	
One (1) Pre-hearing session with Panel x \$1,200.00	= \$1,200.00
Pre-hearing conference: December 17, 1999 1 session	
Total Forum Fees	= \$1,650.00

The Panel has assessed the total forum fees of \$1,650.00 to Respondent Axiom.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$375.00	
Adjournment Fee	= \$600.00	
Total Fees	= \$975.00	
<u>Less payments</u>	<u>= \$975.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$0.00

Respondent Axiom be and hereby is solely liable for:

Member Fees	= \$6,100.00	
Forum Fees	= \$1,650.00	
Total Fees	= \$7,750.00	
<u>Less payments</u>	<u>= \$6,100.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$1,650.00

Respondents be and hereby are jointly and severally liable for:

Adjournment Fee	= \$600.00	
Total Fees	= \$600.00	
<u>Less payments</u>	<u>= \$ 0.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$600.00

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

Concurring Arbitrators' Signatures

/s/
Stanley H. Ragle, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/
Glenn R. Oxner
Industry Chair

Signature Date

/s/
Marion Smith, II, Esq.

Signature Date

April 19, 2001
Date of Service (For NASD-DR office use only)

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

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Adjournment Fee	= \$600.00	
Total Fees	= \$975.00	
<u>Less payments</u>	<u>= \$975.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$0.00

Respondent Axiom be and hereby is solely liable for:

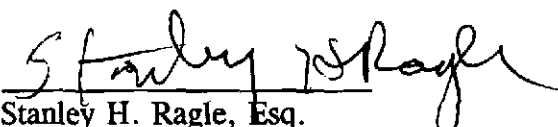
Member Fees	= \$6,100.00	
Forum Fees	= \$1,650.00	
Total Fees	= \$7,750.00	
<u>Less payments</u>	<u>= \$6,100.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$1,650.00

Respondents be and hereby are jointly and severally liable for:

Adjournment Fee	= \$600.00	
Total Fees	= \$600.00	
<u>Less payments</u>	<u>= \$ 0.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$600.00

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

Concurring Arbitrators' Signatures


Stanley H. Ragle, Esq.
Public Arbitrator, Presiding Chair

4/11/01
Signature Date

Glenn R. Oxner
Industry Chair

Signature Date

Administrative Costs

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Total Fees	= \$975.00	
<u>Less payments</u>	<u>= \$975.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$0.00

Respondent Axiom be and hereby is solely liable for:

Member Fees	= \$6,100.00	
Forum Fees	= \$1,650.00	
Total Fees	= \$7,750.00	
<u>Less payments</u>	<u>= \$6,100.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$1,650.00


Respondents be and hereby are jointly and severally liable for:

Adjournment Fee	= \$600.00	
Total Fees	= \$600.00	
<u>Less payments</u>	<u>= \$ 0.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$600.00

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

Concurring Arbitrators' Signatures

Stanley H. Ragle, Esq.
Public Arbitrator, Presiding Chair

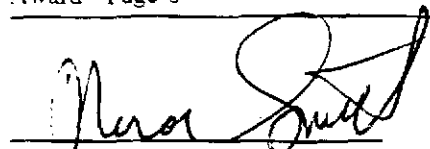


Glenn R. Oxner
Industry Chair

Signature Date

4-16-01

Signature Date


Marion Smith, II, Esq.

04/09/01
Signature Date

Date of Service (For NASD-DR office use only)