

Stipulated Award
NASD Dispute Resolution, Inc.

The Matter of the Arbitration Between

Name of Claimant

Ulla Searing-duPont f/k/a Ulla R. Searing

Case No. 99-02731

Names of Respondents

Bear, Stearns & Co., Inc.
Bear, Stearns Securities Corp.
Stovall/Twenty-First Advisors, Inc.
Twenty-First Securities Corp.
Robert H. Stovall

REPRESENTATION OF PARTIES

For Ulla Searing-duPont f/k/a Ulla R. Searing, hereinafter referred to as "Claimant": William T. Kirtley, Esq., William T. Kirtley, P.A., Sarasota, Florida.

For Bear, Stearns & Co., Inc. ("Bear, Stearns & Co."), Bear, Stearns Securities Corp. ("Bear, Stearns Securities"), Stovall/Twenty-First Advisors, Inc. ("Twenty-First Advisors"), Twenty-First Securities Corp. ("Twenty-First Securities"), and Robert H. Stovall ("Stovall"), hereinafter collectively referred to as "Respondents": David E. Robbins, Esq., Kaufmann, Feiner, Yamin, Gildin & Robbins, LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: June 15, 1999.

Claimant signed the Uniform Submission Agreement on: April 27, 1999.

Motion to Dismiss, or in the alternative, Statement of Answer filed by Respondents Bear, Stearns & Co. and Bear, Stearns Securities Corp. on or about: September 24, 1999.

Motion to Dismiss filed by Respondent Twenty-First Advisors on or about: September 24, 1999.

Statement of Answer filed by Respondents Twenty-First Securities and Stovall on or about: September 24, 1999.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action: 1) violations of the Florida Securities and Investor Protection Act, Chapter 517, Florida Statutes; 2) breach of contract; 3) breach of fiduciary duty; and 4) negligence. The causes of action relate to the improper management and unauthorized liquidation of mutual funds and convertible securities which resulted in an

unwanted income tax liability in the amount of approximately \$70,900.00 and unnecessary transactional commissions in the amount of \$9,100.00.

Unless specifically admitted in their Answer, Respondents Bear, Stearns & Co. and Bear, Stearns Securities denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Respondents Bear, Stearns & Co. and Bear, Stearns Securities are not liable to Claimant for the alleged wrongdoing of Respondents Twenty-First Securities and Stovall; and 2) Claimant made no allegation that Respondents Bear, Stearns & Co. or Bear, Stearns Securities had actual knowledge of any alleged wrongdoing.

Unless specifically admitted in their Answer, Respondents Twenty-First Securities and Stovall denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimant failed to accept responsibility for her tax matters; 2) Claimant did not suffer losses as a result of trading activity in her account; 3) Claimant failed to state a claim upon which relief may be granted; 4) Claimant's tax liability, if any, is the result of her own conduct, her failure to reject sell recommendations, and is not the result of Respondents' conduct; 5) Claimant's negligence or contributorily negligence caused her alleged damages; 6) Respondents did not misrepresent material facts upon which Claimant relied to her detriment; and 7) Claimant is not entitled to recover damages under the "well-managed account" theory.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in an amount of \$80,000.00; 2) consequential damages for the difference between the value of Claimant's account, as traded and administered by Respondents, and the value that Claimant's account would have attained if it had been properly managed; 3) interest; and 4) costs.

Respondents Bear, Stearns & Co. and Bear, Stearns Securities requested: 1) dismissal of the Statement of Claim; and 2) costs.

Respondent Twenty-First Advisors requested dismissal of the Statement of Claim.

Respondents Twenty-First Securities and Stovall requested: 1) dismissal of the Statement of Claim; 2) costs; and 3) attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On or about November 19, 1999, Claimant filed with NASD Dispute Resolution, Inc. her Stipulation wherein Claimant dismissed, with prejudice, all claims against Respondent Bear, Stearns & Co. and Bear, Stearns Securities.

On or about December 1, 2000, Claimant filed with NASD Dispute Resolution, Inc. her Dismissal with Prejudice wherein Claimant dismissed, with prejudice, all claims against Respondents Twenty-First Advisors, Twenty-First Securities and Stovall.

On or about January 5, 2001, Claimant and Respondents filed with NASD Dispute Resolution, Inc., their Joint Stipulation wherein the parties consented to the expungement of all references to the above-captioned arbitration proceeding from Respondents' registration records maintained by the NASD Central Registration Depository ("CRD").

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered.

AWARD

After considering the pleadings and the joint stipulation of the parties, the undersigned arbitrators (the "Panel") has decided in full and final resolution of the issues submitted for determination as follows:

In the event there is a notation on the NASD CRD with respect to Respondents, the Panel recommends the expungement of all references to the above-captioned arbitration proceeding from Respondents' registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notice to Members 99-09, 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	= \$225.00
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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	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

Adjournment Fees

Adjournments requested during these proceedings:

October 2, 3 and 4, 2000, adjournment request by Claimant	= \$750.00
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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 Panel x \$750.00	= \$750.00
Pre-hearing conference: March 14, 2000 1 session	
Retained balance of hearing session deposit pursuant to Rule 10332(f) of the Code	= \$375.00
Total Forum Fees	= \$1,125.00

Pursuant to the agreement of the parties, the Panel, as to the pre-hearing conference, has assessed \$375.00 of the forum fees to Claimant, \$187.50 of the forum fees to Respondent Twenty-First Securities and \$187.50 of the forum fees to Respondent Stovall.

Pursuant to Rule 10332(f) of the Code, the balance of Claimant's hearing session deposit in the amount of \$375.00 is retained and assessed by the Panel as a forum fee to Claimant.

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

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 225.00
Adjournment Fee	= \$ 750.00
Forum Fees	= \$ 750.00
Total Fees	= \$1,725.00
<u>Less payments</u>	<u>= \$1,725.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$0.00

Respondent Twenty-First Securities be and hereby is solely liable for:

Member Fees	= \$3,100.00
Forum Fees	= \$ 187.50
Total Fees	= \$3,287.50
<u>Less payments</u>	<u>= \$3,100.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$187.50

Respondent Stovall be and hereby is solely liable for:

Forum Fees	= \$187.50
Total Fees	= \$187.50
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$187.50

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/
Richard J. Fuller, CPA
Public Arbitrator, Presiding Chair

Signature Date

/s/
John W. Platt
Industry Arbitrator

Signature Date

/s/
Donald A. Edwards, Esq.
Public Arbitrator

Signature Date

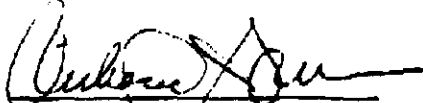
April 12, 2001
Date of Service (For NASD-DR office use only)

Respondent Stovall be and hereby is solely liable for:

Forum Fees	= \$187.50	
Total Fees	= \$187.50	
<u>Less payments</u>	<u>= \$ 0.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$187.50

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



Richard J. Fuller, CPA
Public Arbitrator, Presiding Chair

4/11/01
Signature Date

John W. Platt
Industry Arbitrator

Signature Date

Donald A. Edwards, Esq.
Public Arbitrator

Signature Date

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

Respondent Stovall be and hereby is solely liable for:


Forum Fees	= \$187.50	
Total Fees	= \$187.50	
<u>Less payments</u>	<u>= \$ 0.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$187.50

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

Richard J. Fuller, CPA
Public Arbitrator, Presiding Chair

Signature Date



John W. Platt
Industry Arbitrator

4/5/01

Signature Date

Donald A. Edwards, Esq.
Public Arbitrator

Signature Date

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



Respondent Stovall be and hereby is solely liable for:

Forum Fees	= \$187.50	
Total Fees	= \$187.50	
<u>Less payments</u>	<u>= \$ 0.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$187.50

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

Richard J. Fuller, CPA
Public Arbitrator, Presiding Chair

Signature Date

John W. Platt
Industry Arbitrator

Signature Date

Donald A. Edwards
Donald A. Edwards, Esq.
Public Arbitrator

April 5, 2001
Signature Date

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