

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Morris Eisinger
Beatrice Eisinger

Case No. 99-02888

Names of Respondents

Jay M. Dugan
First Associated Securities Group, Inc.
First Securities USA, Inc.

REPRESENTATION OF PARTIES

For Morris Eisinger and Beatrice Eisinger, hereinafter collectively referred to as "Claimants":
Brenda M. Combs, Esq., Williams Schifino Mangione & Steady, P.A., Tampa, Florida.

For Jay M. Dugan ("Dugan"), First Associated Securities Group, Inc. ("First Associated") and
First Securities USA, Inc. ("First Securities"), hereinafter collectively referred to as
"Respondents": Shawn Charnaw, Esq., The Law Offices of Patrick Baldwin, Menlo Park,
California.

CASE INFORMATION

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

Claimants signed the Uniform Submission Agreement on: July 12, 1999.

Statement of Answer filed by Respondents on or about: September 16, 1999.

Respondent First Associated signed the Uniform Submission Agreement on: August 27,
1999.

Respondents First Securities and Dugan did not file executed Uniform Submission
Agreements.

CASE SUMMARY

Claimants asserted the following causes of action: 1) violations of Section 517.301, Florida
Statutes; 2) breach of brokerage relationship; 3) breach of fiduciary duty; 4) negligence; 5)
negligent supervision; and 6) common law fraud. The causes of action relate to investments
in notes issued by Keller Financial Services of Central Florida, Inc.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the
Statement of Claim and asserted the following defenses: 1) Claimants failed to state a claim

upon which relief may be granted; 2) Claimants expressly ordered, approved, authorized, participated in and ratified the acts and transactions complained of and upon which relief is sought; 3) Claimants' losses, if any, were proximately caused by Claimants' own negligence or the conduct of third parties; 4) Claimants voluntarily assumed the risks of the transactions complained of; 5) Claimants failed to mitigate their damages; 6) Claimants are estopped from recovery by ratification of the transactions complained of; 7) Claimants waived their rights to institute an action for the alleged wrongdoing complained of; 8) Claimants' claims are barred by the applicable statutes of limitations; 9) Claimants' careless and negligent conduct contributed to the acts complained of and the damages, if any, sustained by Claimants; 10) Claimants are barred from recovery by the doctrine of laches; 11) Respondents acted in good faith; 12) Claimants' damages, if any, should be reduced by the degree of fault of Claimants or other persons; 13) Claimants' damages, if any, were solely and proximately caused by the negligence or intentional acts of parties other than Respondents; 14) Respondents complied with all applicable securities rules and regulations, as well as their obligations to their customers, with regard to the transactions complained of; 15) Claimants are not entitled to interest, costs or attorneys' fees pursuant to any agreement or statute; 16) Claimants' damages are speculative and uncertain; and 17) Claimants' damages, if any, were caused by market conditions.

RELIEF REQUESTED

Claimants requested: 1) compensatory damages in the amount of \$92,000.00; 2) punitive damages; 3) interest; 4) costs; 5) attorneys' fees; and 6) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents requested: 1) dismissal of the Statement of Claim; 2) costs; and 3) attorneys' fees.

OTHER ISSUES CONSIDERED AND DECIDED

On October 2, 2000, Claimants informed NASD Dispute Resolution, Inc. that they had entered into settlement with Respondents. Thereafter, Claimants and Respondent First Associated moved the panel for the entry of an award.

Respondents First Securities and Dugan did not file with 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 Stipulated Award may be entered.

AWARD

After considering the pleadings and the settlement between the parties, the Panel has decided

in full and final resolution of the issues submitted for determination as follows:

1. As to Respondent First Securities, the Panel finds that this matter has been settled between Claimants and Respondent First Securities and any claims by or between them have been withdrawn from the Panel's consideration.
2. As to Respondent Dugan, the Panel finds that this matter has been settled between Claimants and Respondent Dugan and any claims by or between them have been withdrawn from the Panel's consideration.
3. As to Respondent First Associated, the Panel finds that this matter has been settled between Claimants and Respondent First Associated. As part of said settlement, Respondent First Associated agrees that: a) Claimants' compensatory damages, including pre-judgment interest, related to the claims raised in this matter are \$68,762.06; and b) Claimants are the prevailing party as to all claims raised, including claims under Chapter 517, Florida Statutes.
4. The Panel finds that: a) Claimants are the prevailing party on all claims presented, that Claimants have sustained damages in the amount of \$68,762.06; b) that Respondent First Associated, individually, excluding its former officers, directors, shareholders, or control persons, is liable to Claimants for said damages; and c) that Claimants are entitled to attorneys' fees and costs under Chapter 517, Florida Statutes, as determined by a court of competent jurisdiction.

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	= \$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, Respondent First Securities is a member firm and is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

In this matter, Respondent First Associated was a member firm and is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00

Adjournment Fees

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

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 7, 2000 1 session

Total Forum Fees = \$750.00

The Panel has assessed \$375.00 of the forum fees to Claimants, jointly and severally.
The Panel has assessed \$375.00 of the forum fees to Respondents First Associated and First Securities, jointly and severally.

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.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$225.00	
Forum Fees	= \$375.00	
Total Fees	= \$600.00	
<u>Less payments</u>	<u>= \$600.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$0.00

Respondent First Associated be and hereby is solely liable for:

Member Fees	= \$1,600.00	
Total Fees	= \$1,600.00	
<u>Less payments</u>	<u>= \$1,000.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$600.00

Respondent First Securities be and hereby is solely liable for:

Member Fees	= \$3,100.00	
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Total Fees	= \$3,100.00	
<u>Less payments</u>	<u>= \$3,100.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$0.00

Respondents First Associated and First Securities be and hereby are jointly and severally liable for:

Forum Fees	= \$375.00	
Total Fees	= \$375.00	
<u>Less payments</u>	<u>= \$375.00</u>	
Balance Due NASD Dispute Resolution, Inc.		= \$0.00

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/
Charles Tindell, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/
Nicholas V. Pulignano, Jr.
Public Arbitrator

Signature Date

/s/
Kjell W. Pettersen
Public Arbitrator

Signature Date

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

Total Fees	= \$3,100.00	
<u>Less payments</u>	<u>= \$3,100.00</u>	
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Concurring Arbitrators' Signatures



Charles Tindell, Esq.
Public Arbitrator, Presiding Chair

3-5-2001

Signature Date

Nicholas V. Pulignano, Jr.
Public Arbitrator

Signature Date

Kjell W. Pettersen
Public Arbitrator

Signature Date

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

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Concurring Arbitrators' Signatures

Charles Tindell, Esq.
Public Arbitrator, Presiding Chair

Signature Date



Nicholas V. Pulignone, Jr.
Public Arbitrator

3-12-01

Signature Date

Kjell W. Pettersen
Public Arbitrator

Signature Date

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Public Arbitrator, Presiding Chair

Signature Date

Nicholas V. Pulignano, Jr.
Public Arbitrator

Signature Date



Kjell W. Pettersen
Public Arbitrator

3/3/01

Signature Date

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