

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimants/Counter-Respondents

Michael O'Malley, individually and as General
Partner of Mark IV LLC Partnership; and
Mark IV LLC Partnership.

Case No. 99-04867

Hearing Site: Indianapolis, Indiana

Name of Respondents/ Third Party Claimant

Bear, Stearns Securities Corp.; John H. Dawson
& Associates, Inc.; Peter In Cho; Simon Chong;
John H. Dawson; Douglas F. Samuels; Ravindranath
Yanamadula; Marc E. Willis; Daniel Hong; Deron Coleman;
Dale Boolton; Kenneth Ko; Peter Park; and Steven Schuetz.

Name of Third-Party Respondent

John D. Glasgow III

REPRESENTATION OF PARTIES

Claimants/Counter-Respondents Michael O'Malley ("O'Malley"), individually and as General Partner of Mark IV LLC Partnership; and Mark IV LLC Partnership ("Mark IV") were represented by James Eccleston, Esq. and Ronald M. Amato, Esq., of the firm of Eccleston & Associates, located in Chicago, Illinois.

Respondent/Counter-Claimant/Third-Party Claimant Bear, Stearns Securities Corp. ("Bear Stearns") was represented by Nicholas P. Iavarone, Esq. and Thomas Sarikas, Esq., of the firm of Bellows & Bellows, located in Chicago, Illinois.

Respondent John H. Dawson was represented by Thomas P. Ward, Esq., located in Lake Forest, Illinois.

Third-Party Respondent John Glasgow III was represented by Timothy J. Miller, Esq., of the firm of Novack and Macey, located in Chicago, Illinois, but did not appear at hearing due to his

dismissal.

Respondents Douglas F. Samuels ("Samuels"); Marc E. Willis ("Willis"); Deron Coleman ("Coleman"); Dale Boolton ("Boolton"); Kenneth Ko ("Ko"); Peter Park ("Park"); and Steven Schuetz ("Schuetz") were originally pro se. On or about March 30, 2001, Richard Kim, Esq. of the Law Offices of Yon S. Choe & Associates, located in Chicago, Illinois, appeared for these Respondents. However, counsel resigned prior to hearing and these respondents appeared pro se thereafter. These Respondents did not appear at hearing because of their dismissal.

Respondent Peter In Cho ("Cho"); Simon Chong ("Chong") and Ravindranath Yanamadula ("Yanamadula") did not file an answer or submission agreement. In addition, they did not appear at hearing because of their dismissal.

Respondent John H. Dawson & Associates, Inc. filed for SIPC liquidation and did not appear.

CASE INFORMATION

Statement of Claim filed on or about: October 28, 1999.

Claimants signed the Uniform Submission Agreement: October 19, 1999.

Statement of Answer, Counter-Claim and Third-Party Claim filed by Bear Stearns on or about: February 10, 2000.

Bear Stearns signed the Uniform Submission Agreement: February 8, 2000.

Respondent Dawson signed the Uniform Submission Agreement: September 11, 2000.

Statement of Answer filed by Respondent Samuels on or about: April 10, 2000.

Respondent Samuels signed the Uniform Submission Agreement: April 10, 2000.

Statement of Answer filed by Respondent Coleman on or about: May 12, 2000.

Respondent Coleman signed the Uniform Submission Agreement: May 12, 2000.

Statement of Answer filed by Respondent Park on or about: November 8, 2000.

Respondent Park signed the Uniform Submission Agreement: November 8, 2000.

Respondents John H. Dawson & Associates, Inc., Cho, Chong, Yanamadula, Willis, Hong, Boolton, Ko and Schuetz did not file an executed Uniform Submission Agreement.

Respondents John H. Dawson; Peter In Cho; Simon Chong; and Ravindranath Yanamadula did not file a Statement of Answer.

Statement of Answer to Third-Party Claim of Bear Stearns filed by Third-Party Respondent Glasgow on or about: September 25, 2000.

Third-Party Respondent Glasgow signed the Uniform Submission Agreement: September

29, 2000.

Motion to Strike Third-Party Claim filed by Third-Party Respondent Glasgow filed on:
November 8, 2000.

Response to Motion to Strike filed by Bear Stearns on: December 7, 2000.

Bear Stearn's Motion to Amend its Answer filed on: December 26, 2000.

Bear Stearn's Motion to Dismiss filed: February 21, 2001.

Claimant's Response to Bear Stearn's Motion to Dismiss filed on: March 22, 2001.

Emergency Motion to File Amended Uniform Submission Agreement, Answer and Motion
for Summary Judgment filed by Respondents Samuels, Willis, Hong, Coleman, Boolton, Ko,
Park and Schuetz on : March 30, 2001.

Claimants' Response to Respondents' Motion for Summary Judgment filed on: April 5,
2001.

The claims against Respondents Peter In Cho; Simon Chong; John H. Dawson; Douglas F.
Samuels; Ravindranath Yanamadula; Marc E. Willis; Daniel Hong; Deron Coleman; Dale Boolton;
Kenneth Ko; Peter Park; and Steven Schuetz were withdrawn prior to hearing. The Third-Party
Claim filed against Third-Party Respondent John D. Glasgow III was also withdrawn prior to
hearing.

CASE SUMMARY

Claimants asserted the following causes of action in the Amended Claim: violation of Section
10(b) of the Securities Exchange Act of 1934 and Rule 10b-5; violation of Indiana Securities
Law; conversion; fraud; breach of fiduciary duty; and negligence. These causes of action
resulted from a series of improper and unauthorized trade reversals of BUY transactions of index
options that had been rightfully canceled in Claimants' accounts.

Unless specifically admitted in its Answer, Respondent Bear Stearns denied the allegations made
in the Statement of Claim.

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RELIEF REQUESTED

Claimants requested:

Compensatory Damages	\$ 174,860.00
Punitive Damages	\$ 750,000.00
Pre-judgment Interest	8% per annum

Claimants also requested reasonable Attorneys' Fees, Costs, and other Monetary or Non-

Monetary Relief as was just.

Respondent Bear Stearns requested that the claim be dismissed with prejudice. On the counterclaim against O'Malley, Bear Stearns requested indemnification of up to \$233,000.00 if it was found liable to one or more parties. In addition, until the Third-Party Claim was withdrawn, Bear Stearns requested indemnification from Glasgow if it was found liable to one or more of the parties in this action.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents John H. Dawson & Associates, Inc., Cho, Chong, Yanamadula, Willis, Hong, Boolton, Ko and Schuetz did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but are required to submit to arbitration pursuant to the Code, and are bound by the determination of the Panel on all issues submitted.

On or about April 9, 1999, Respondent John H. Dawson & Associates, Inc. filed for SIPC liquidation. Pursuant to the liquidation, all actions against this respondent were stayed.

On December 19, 2000, the Panel denied the Motion to Strike Third-Party Claim filed by Third-Party Respondent Glasgow.

At the pre-hearing conference of April 26, 2001, the Claimants withdrew their claims against all Respondents except for Bear Stearns and Dawson. Therefore, the claims against Respondents Douglas F. Samuels; Marc E. Willis; Daniel Hong; Deron Coleman; Dale Boolton; Kenneth Ko; Peter Park; and Steven Schuetz are withdrawn with prejudice and dismissed. The claims against Respondents Peter In Cho; Simon Chong; and Ravindranath Yanamadula are withdrawn without prejudice and dismissed. In addition, Respondents' Motion for Summary judgment was now moot and no decision was required. Claimant was given leave to file an amended Statement of Claim.

Thereafter, Claimants also withdrew their claims against Dawson. On May 4, 2001, Claimants filed an Amended Statement of Claim naming only Bear Stearns Securities Corp. as a respondent.

* At the same pre-hearing conference, Respondent/Third-Party Claimant Bear Stearns withdrew its Third-Party Claim against Third-Party Respondent Glasgow. Therefore, the claims against Third-Party Respondent Glasgow are withdrawn with prejudice and dismissed.

AWARD

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

1. The claims against Respondent Bear Stearns Securities Corp. are hereby dismissed and denied in their entirety;
2. The claims against Respondents John Dawson; Douglas F. Samuels; Marc E. Willis; Daniel Hong; Deron Coleman; Dale Boolton; Kenneth Ko; Peter Park; and Steven Schuetz were withdrawn with prejudice and are dismissed;
3. The claims against Respondents Peter In Cho; Simon Chong; and Ravindranath Yanamadula were withdrawn without prejudice and are dismissed;
4. The Third-Party Claim filed against Third-Party Respondent John D. Glasgow III was withdrawn with prejudice and is dismissed;
5. The counterclaim against Claimant/Counter-Respondent Michael O'Malley is dismissed and denied in its entirety;
6. The parties shall bear their own costs of arbitration, including any attorneys' fees, except for those specifically enumerated herein; and
7. 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	= \$ 500.00
Third Party Claim filing fee	= \$2,000.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firms are a party to the arbitration.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

Adjournment Fees

Adjournments requested during these proceedings: None

Forum Fees and Assessments

The panel has the authority to assess 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 \$1,200.00 = \$ 2,400.00

Pre-hearing conferences: September 27, 2000 1 session
 April 26, 2001 1 session

Eleven (11) Hearing sessions x \$1,200.00 = \$13,200.00

Hearing Dates: May 14, 2001 2 sessions
 May 15, 2001 2 sessions
 May 16, 2001 2 sessions
 May 17, 2001 3 sessions
 May 18, 2001 2 sessions

Total Forum Fees = \$15,600.00

The panel has assessed \$3,900.00 of the forum fees jointly and severally to Claimants/Counter-Respondents Michael O'Malley, individually and as General Partner of Mark IV LLC Partnership and the Mark IV LLC Partnership. In addition, the panel has assessed \$11,700.00 of the forum fees to Respondent/Counter-Claimant/Third-Party Claimant Bear Stearns Securities Corp.

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.

Respondent/Counter-Claimant/Third-Party Claimant Bear Stearns Securities Corp. requested copies of the hearing tapes = \$270.00.

FEE SUMMARY

Claimant/Counter-Respondent Michael O'Malley, individually and as General Partner of Mark IV LLC Partnership, and the Mark IV LLC Partnership are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 3,900.00
Total Fees	= \$ 4,400.00
Less payments	= \$ 1,700.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,700.00

Respondent/Counter-Claimant/Third-Party Claimant Bear Stearns Securities Corp. is solely liable for:

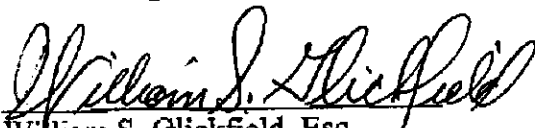
Filing Fee	= \$ 2,000.00
Member Fees	= \$ 7,600.00
Forum Fees	= \$11,700.00
<u>Administrative Costs</u>	= \$ 270.00
Total Fees	= \$21,570.00
<u>Less payments</u>	= \$ 1,800.00
Balance Due NASD Dispute Resolution, Inc.	= \$19,770.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

William S. Glickfield, Esq. - Public Arbitrator, Presiding Chair
Stanley G. Rives, PhD - Public Arbitrator
Kathy J. Birk - Non-Public Arbitrator

Concurring Arbitrators' Signatures


William S. Glickfield, Esq.
Public Arbitrator, Presiding Chair

7-5-01
Signature Date

Stanley G. Rives, PhD
Public Arbitrator

Signature Date

Kathy J. Birk
Non-Public Arbitrator

Signature Date

July 9, 2001
Date of Service (For NASD-Dispute Resolution office use only)

Respondent/Counter-Claimant/Third-Party Claimant Bear Stearns Securities Corp. is solely liable for:

Filing Fee	= \$ 2,000.00
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Forum Fees	= \$11,700.00
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Non-Public Arbitrator

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Public Arbitrator, Presiding Chair

Signature Date

Stanley G. Rives, PhD
Public Arbitrator

Signature Date



Kathy J. Birk
Non-Public Arbitrator

7-9-01

Signature Date

July 9, 2001
Date of Service (For NASD-Dispute Resolution office use only)