

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Drake & Co., Inc.

Case No. 00-02952

Names of Respondents

Phillip Clifton Cox
Timothy Alan Sheffield
Malcom Steven Escarre

Hearing Site: Memphis, TN

REPRESENTATION OF PARTIES

For Drake & Co., Inc. ("Drake"), hereinafter referred to as "Claimant": David S. Smith, Esq. of Smith Campbell & Paduano, New York, NY.

For Respondents Phillip Clifton Cox ("Cox"), Timothy Alan Sheffield ("Sheffield"), and Malcom Steven Escarre ("Escarre"), hereinafter collectively referred to as "Respondents": Saul C. Belz, Esq. of Waring Cox, PLC, Memphis, TN.

CASE INFORMATION

Statement of Claim filed on or about: July 13, 2000.

Claimant's Statement of Answer to Counterclaims filed on or about: November 6, 2000.

Claimant signed the Uniform Submission Agreement: July 12, 2000.

Respondents' Statement of Answer and Counterclaims filed on or about: October 2, 2000.

Respondent Cox signed the Uniform Submission Agreement: September 27, 2000.

Respondent Sheffield signed the Uniform Submission Agreement: September 27, 2000.

Respondent Escarre signed the Uniform Submission Agreement: September 27, 2000.

CASE SUMMARY

Claimant asserted that Respondents failed to pay their trading deficit to Claimant. The cause of action relates to the purchase and sale of certain bonds including bonds issued by Cityscape Financial Corporation.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted, in their counterclaim, that Claimant failed to pay for Respondents FICA and Medicare as provided for in their employment agreement.

Unless specifically admitted in its Answer to counterclaims, Claimant denied the allegations

made in Respondents' counterclaim.

RELIEF REQUESTED

Claimant requested compensatory damages of approximately \$250,000.00, interest, costs, attorneys' fees, dismissal of Respondents' counterclaim, and such other and further relief as the Panel deemed just and proper.

Respondents requested compensatory damages of approximately \$58,540.90, costs, attorneys' fees, dismissal of the Statement of Claim, and such other and further relief as the Panel deemed just and proper.

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, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Cox is liable and shall pay to Claimant compensatory damages in the sum of \$96,196.90, pre-judgment interest specifically excluded.

Respondent Sheffield is liable and shall pay to Claimant compensatory damages in the sum of \$59,321.42, pre-judgment interest specifically excluded.

Respondent Escarre is liable and shall pay to Claimant compensatory damages in the sum of \$4,809.85, pre-judgment interest specifically excluded.

Respondents' counterclaim is dismissed, with prejudice.

Any and all relief requests not specifically addressed herein are denied.

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	= \$1,000.00
Counterclaim filing fee	= \$225.00

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	= \$1,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$2,500.00

Adjournment Fees

Adjournments requested during these proceedings:

No requests for adjournment were filed in this matter.

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 \$1,125.00	= \$2,250.00
Pre-hearing conferences:	
January 11, 2001	1 session
June 20, 2001	1 session

Eight (8) Hearing sessions x \$1,125.00	= \$9,000.00
Hearing Dates:	
November 1, 2001	2 sessions
November 2, 2001	2 sessions
January 28, 2002	2 sessions
January 29, 2002	2 sessions

Total Forum Fees	= \$11,250.00
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The Panel has assessed \$5,625.00 of the forum fees to Claimant.

The Panel has assessed \$5,625.00 of the forum fees jointly and severally to Respondents Cox, Sheffield, and Escarre.

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 in this matter.

FEE SUMMARY

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$4,600.00
Forum Fees	= \$5,625.00
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Total Fees	= \$11,225.00
Less payments	= \$4,225.00
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Balance Due NASD Dispute Resolution, Inc.	= \$7,000.00

Respondents be and hereby are jointly and severally liable for:

Counterclaim Filing Fee	= \$225.00
Forum Fees	= \$5,625.00
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Total Fees	= \$5,850.00
Less payments	= \$975.00
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Balance Due NASD Dispute Resolution, Inc.	= \$4,875.00

All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Thomas A. Prince, Esq.	-	Non-Public Arbitrator, Presiding Chair
Richard L. Oates	-	Non-Public Arbitrator
Cary Allen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

Thomas A. Prince, Esq.
Non-Public Arbitrator, Presiding Chair

Signature Date

/s/

Richard L. Oates
Non-Public Arbitrator

Signature Date

/s/

Cary Allen
Non-Public Arbitrator

Signature Date

February 21, 2002

Date of Service (For NASD-Dispute Resolution office use only)

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 Arbitration No. 00-02952
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FEE SUMMARY

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Initial Filing Fee	= \$1,000.00
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Forum Fees	= \$5,625.00
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Less payments	= \$4,225.00
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Balance Due NASD Dispute Resolution, Inc.	= \$7,000.00

Respondents be and hereby are jointly and severally liable for:

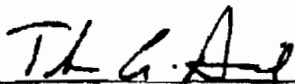
Counterclaim Filing Fee	= \$225.00
Forum Fees	= \$5,625.00
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Total Fees	= \$5,850.00
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Richard L. Oates	-	Non-Public Arbitrator
Cary Allen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



 Thomas A. Prince, Esq.
 Non-Public Arbitrator, Presiding Chair

2.13.02

 Signature Date

 Richard L. Oates
 Non-Public Arbitrator

 Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 00-02952
Award Page 4

FEE SUMMARY

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Member Fees	= \$4,600.00
Forum Fees	= \$5,625.00
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Total Fees	= \$11,225.00
Less payments	= \$4,225.00
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Balance Due NASD Dispute Resolution, Inc.	= \$7,000.00

Respondents be and hereby are jointly and severally liable for:

Counterclaim Filing Fee	= \$225.00
Forum Fees	= \$5,625.00
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Total Fees	= \$5,850.00
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Thomas A. Prince, Esq.	-	Non-Public Arbitrator, Presiding Chair
Richard L. Oates	-	Non-Public Arbitrator
Cary Allen	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Thomas A. Prince, Esq.
Non-Public Arbitrator, Presiding Chair

Signature Date

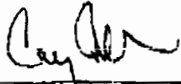


Richard L. Oates
Non-Public Arbitrator

2/14/02

Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 00-02952
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Cary Allen
Non-Public Arbitrator

2/14/02

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)