

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Dorothy Sarnecky, Claimant v. M.L. Stern & Co., Inc. n/k/a M.L. Stern & Co., LLC and Frank Perrotti, Respondents

Case Number: 00-03272

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimants:

Arthur S. Leider
Investors Arbitration
Specialists Inc.
San Diego, California

For Respondents:

James D. Portman, Esq.
M.L. Stern & Co., LLC
Beverly Hills, California

CASE INFORMATION

Statement of Claim filed: July 8, 2000

Claimant's Uniform Submission Agreement signed: August 1, 2000

Joint Statement of Answer filed by Respondents M.L. Stern & Co., Inc. (n/k/a M.L. Stern & Co., LLC) (hereinafter M.L. Stern & Co., LLC) and Frank Perrotti: November 10, 2000

Respondent M.L. Stern & Co., LLC's Uniform Submission Agreement signed:
November 7, 2000

CASE SUMMARY

Claimant alleged breach of fiduciary duty, negligence, misrepresentation, omission, and churning. The dispute involved the purchase and/or sale various securities.

Respondents denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$100,000.00 in compensatory damages, unspecified punitive damages, and interest. Claimant also sought reimbursement for arbitration costs.

Respondents requested dismissal of the Claimant's Statement of Claim in its entirety, and sought reimbursement for arbitration costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Frank Perrotti did not file with the NASD Dispute Resolution, Inc. a properly executed submission agreement but is required to submit to arbitration pursuant to the Code and having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

The parties 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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondents M.L. Stern & Co., LLC and Frank Perrotti are jointly and severally liable to and shall pay Claimant \$89,000.00 in compensatory damages.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All relief requested and not expressly granted is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 225.00
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Member Fees

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the events which gave rise to the dispute, claim, or controversy. Accordingly, the member firm M.L. Stern & Co., LLC is a party and the following fees are assessed:

Member Surcharge	= \$ 1,000.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 1,500.00</u>
Total Member Fees	= \$ 3,100.00

Forum Fees and Assessments

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Panel. The following fees are assessed:

1 Pre-hearing conference session with the Panel @ \$ 750.00/session	= \$ 750.00
Pre-hearing conference: April 17, 2001 1 session	
4 Hearing sessions @ \$ 750.00/session	= \$ 3,000.00
Hearings: July 17, 2001 2 session	
July 18, 2001 2 session	
Total Forum Fees	= \$ 3,750.00

1. The Panel assessed \$ 1,875.00 of the forum fees to Claimant Dorothy Sarnecky.
2. The Panel assessed \$ 1,875.00 of the forum fees jointly and severally to Respondents M.L. Stern & Co., LLC and Frank Perrotti.

Fee Summary

1. Claimant Dorothy Sarnecky is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 1,875.00
Total Fees	= \$ 2,100.00
Less Payments	= \$ (975.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,125.00

2. Respondent M.L. Stern & Co., LLC is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
Less Payments	= \$(3,100.00)
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

3. Respondents M.L. Stern & Co., LLC and Frank Perrotti are charged jointly and severally with the following fees and costs:

Forum Fees	= \$ 1,875.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,875.00

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

NASD Dispute Resolution, Inc.
 Arbitration No. 00-03272
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ARBITRATION PANEL

Robert Rosen	-	Public, Presiding Chair
Linda J. Berberian, Esq.	-	Public Arbitrator
Larry Haugaard	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Robert Rosen
 Chair, Public Arbitrator

7/26/01
 Signature Date

Linda J. Berberian, Esq.
 Public Arbitrator

Signature Date

Larry Haugaard
 Non-Public Arbitrator

Signature Date

7/30/01
 Date of Service


ARBITRATION PANEL

Robert Rosen	-	Public, Presiding Chair
Linda J. Berberian, Esq.	-	Public Arbitrator
Larry Haugaard	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Robert Rosen
Chair, Public Arbitrator

Signature Date


Linda J. Berberian, Esq.
Public Arbitrator


Signature Date

Larry Haugaard
Non-Public Arbitrator

Signature Date


Date of Service

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Signature Date

Linda J. Berberian, Esq.
Public Arbitrator

Signature Date

Larry Haugaard
Non-Public Arbitrator

Signature Date

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