

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Jack W. and Carla B. Satterfield, Claimant v. Sands Brothers & Co., Ltd., Respondent

Case No. 00-03300

Hearing Location: Tampa, Florida

REPRESENTATION OF PARTIES

For Jack W. and Carla B. Satterfield, hereinafter referred to as "Claimant": Guy M. Burns, Esq. and Bruce W. Barnes, Esq., Johnson, Blakely, Pope, Bokor, Ruppel & Burns, P.A., Tampa, Florida.

For Sands Brothers & Co., Ltd., hereinafter referred to as "Respondent": Barry M. Bordetsky, Esq. and Richard A. Roth, Esq., Littman Krooks & Roth, P.C., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: July 20, 2000.

Claimant signed the Uniform Submission Agreement: July 18, 2000.

Statement of Answer and Counterclaim filed by Respondent on or about: October 27, 2000.

Respondent signed the Uniform Submission Agreement: October 25, 2000.

Answer and Reply to Counterclaim and Affirmative Defenses filed by Claimant on or about: November 14, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: 1) breach of fiduciary duty; and 2) breach of contract. The causes of action relate to Respondent's failure to execute Claimant's instructions to eliminate Claimant's margin positions in Dataware Tech, Inc., Geron Corp. Com, Internet Comm. Corp. CL A, Metromedia Fiber Network, Inc. Com, and Optical Cable Corp. Com., that resulted in losses approximating \$323,000.00.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

Respondent asserted a cause of action in its Counterclaim for recovery of Claimant's negative equity (unsecured debit balance) of \$29,526.75 owed to Respondent as a result of a margin call.

Unless specifically admitted in their Answer, Claimant denied the allegations made in the Counterclaim and asserted various defenses.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount approximating \$323,000.00; 2) interest; 3) costs in the amount of \$15,417.48; 4) elimination of the margin balance; 5) attorneys' fees; and 6) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondent requested: 1) dismissal of the Statement of Claim; 2) compensatory damages in the amount of \$29,526.75; 3) costs; 4) attorneys' fees; 5) expungement of all reference to the above captioned arbitration from Michael Lichenstein's registration records maintained by the NASD Central Registration Depository ("CRD"); and 6) such other relief the Panel deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

At the evidentiary hearing on or about March 18, 2002, the Panel: 1) denied Claimant's motion to preclude admission in evidence of Respondent's Exhibit #1; 2) denied Claimant's motion to quash issuance of Respondent's subpoena duces tecum/ad testificandum as to Denise Metzgar at Pershing Legal Department; and 3) denied Respondent's motion to strike testimony of Christopher Satterfield.

At the evidentiary hearing on or about June 7, 2002, the Panel: 1) denied Claimant's motion to preclude expert testimony of Stanley Meyerson; and 2) granted Respondent's motion to deny admission in evidence of Claimant's Exhibit #14, a certain telephone record discovered by Claimant the evening before the evidentiary hearing of June 7, 2002 but previously declared by Claimant as non-existent.

At the evidentiary hearing during Respondent's closing statement, Respondent amended its relief request to seek an expungement order as to its broker, Michael Lichenstein.

At the conclusion of the evidentiary hearing, Claimant's counsel stated that he did not believe Claimant had a full and complete hearing based upon the Panel's decision to deny admission in evidence of Claimant's Exhibit #14.

At the evidentiary hearing, Respondent announced that it was reimbursed for Claimant's negative equity (unsecured debit balance) by deduction against commissions as to Michael Lichenstein. Respondent did not pursue an award of compensatory damages against Claimant on its Counterclaim, and therefore the Panel did not make any determination with respect to compensatory damages on Respondent's Counterclaim.

The parties agreed that the Award may be executed in counterpart copies, or than 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:

1. Claimant's claims are denied in their entirety.
2. Claimant's request for attorneys' fees is denied.
3. Respondent's request for expungement as to Michael Lichenstein is denied.
4. Respondent's request for attorneys' fees is denied.
5. Any and all relief not specifically addressed herein is 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	= \$ 300.00
Counterclaim filing fee	= \$1,000.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the event giving rise to the dispute. Accordingly, Respondent is a member firm and a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

On or about September 26, 2001, Respondent requested an adjournment of the evidentiary hearing scheduled for October 10-12, 2001. Due to the extraordinary circumstances resulting from the events of September 11, 2001, NASD Dispute Resolution administratively cancelled the evidentiary hearing. A postponement fee was not assessed to any party.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the panel.

There were no injunctive relief fees incurred during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: August 21, 2001 1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$ 1,125.00
Pre-hearing conference: February 6, 2001 1 session

Ten (10) Hearing sessions @ \$1,125.00 = \$11,250.00
Hearing Dates: March 18, 2002 2 sessions
March 19, 2002 2 sessions
March 20, 2002 2 sessions
June 6, 2002 2 sessions
June 7, 2002 2 sessions

Total Forum Fees = \$12,825.00

The Panel has assessed \$6,412.50 of the forum fees to Claimant.
The Panel has assessed \$6,412.50 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred during these proceedings.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Forum Fees</u>	<u>= \$6,412.50</u>
Total Fees	= \$6,712.50
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$5,287.50

Respondent is solely liable for:

Counterclaim filing fee	= \$ 1,000.00
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Member Fees	= \$ 4,600.00
Forum Fees	= \$ 6,412.50
Total Fees	= \$12,012.50
Less payments	= \$ 5,940.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,072.50

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

ARBITRATION PANEL

<i>Lester M. Rosenberg</i>	-	<i>Public Arbitrator, Presiding Chairperson</i>
<i>Daniel J. Costello, Ph.D</i>	-	<i>Public Arbitrator</i>
<i>Arthur E. Flint</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
Lester M. Rosenberg
Public Arbitrator, Presiding Chairperson

Signature Date

/s/
Daniel J. Costello, Ph.D
Public Arbitrator

Signature Date

/s/
Arthur E. Flint
Non-Public Arbitrator

Signature Date

July 11, 2002
Date of Service


Member Fees	= \$ 4,600.00
Forum Fees	= \$ 6,412.50
Total Fees	= \$12,012.50
Less payments	= \$ 5,940.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 6,072.50

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<i>Daniel J. Costello, Ph.D</i>	-	<i>Public Arbitrator</i>
<i>Arthur E. Flint</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures


Lester M. Rosenberg
Public Arbitrator, Presiding Chairperson

07/03/02
Signature Date

Daniel J. Costello, Ph.D
Public Arbitrator

Signature Date

Arthur E. Flint
Non-Public Arbitrator

Signature Date

Date of Service

Member Fees	= \$ 4,600.00
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<i>Arthur E. Flint</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

Lester M. Rosenberg
Public Arbitrator, Presiding Chairperson



Daniel J. Costello, Ph.D
Public Arbitrator

Signature Date

7/02/2002

Signature Date

Arthur E. Flint
Non-Public Arbitrator

Signature Date

Date of Service

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Total Fees	= \$12,012.50
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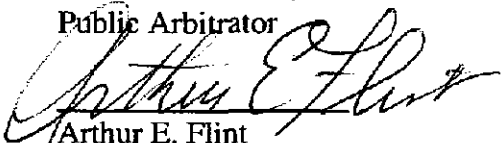
Concurring Arbitrators' Signatures

Lester M. Rosenberg
Public Arbitrator, Presiding Chairperson

Signature Date

Daniel J. Costello, Ph.D
Public Arbitrator

Signature Date


Arthur E. Flint
Non-Public Arbitrator


Signature Date

Date of Service