

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Michael Poolos, Claimant v. Presidential Brokerage, Inc. and Stephen W. Krochta, Respondents

Case Number: 00-03652

Hearing Site: San Diego, California

REPRESENTATION OF PARTIES

For Claimant:

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

For Respondents:

Gregg A. Johnson, Esq.
Attorney at Law
San Diego, California

CASE INFORMATION

Statement of Claim filed: August 15, 2000

Claimant's Uniform Submission Agreement signed: August 15, 2000

Joint Statement of Answer filed by Respondents Presidential Brokerage, Inc. and
Stephen W. Krochta: November 9, 2000

Respondent Presidential Brokerage, Inc.'s Uniform Submission Agreement signed:
November 7, 2000

Respondent Stephen W. Krochta's Uniform Submission Agreement signed: October 23, 2000

CASE SUMMARY

Claimant alleged breach of fiduciary duty, negligence, and unauthorized trading. The dispute involved the purchase and/or sale of Netsol Int'l, Talk.com, Inc. and Apple Computer stock.

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

RELIEF REQUESTED

Claimant requested \$87,810.00 in compensatory damages, \$10,000.00 in legal fees, 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 attorney's fees and arbitration costs. Claimant also requested disbursements be assessed against Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

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) Claimant's claims are denied in their entirety.
- 2) The parties shall bear their respective costs, including attorney's fees.
- 3) All other 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 Presidential Brokerage, Inc. 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 Chair/Panel. The following fees are assessed:

1 Pre-hearing conference session with a single arbitrator @ \$ 450.00/session	= \$ 450.00
Pre-hearing conference: June 29, 2001 1 session	
1 Pre-hearing conference session with the Panel @ \$ 750.00/session	= \$ 750.00
Pre-hearing conference: May 4, 2001 1 session	
3 Hearing sessions @ \$ 750.00/session	= \$ 2,250.00
Hearings: July 11, 2001 2 sessions	
July 12, 2001 1 session	
Total Forum Fees	= \$ 3,450.00

1. The Panel assessed \$ 1,725.00 of the forum fees to Claimant Michael Poolos.
2. The Panel assessed \$ 1,725.00 of the forum fees jointly and severally to Respondents Presidential Brokerage, Inc. and Stephen W. Krochta.

Fee Summary

1. Claimant Michael Poolos is charged with the following fees and costs:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	<u>= \$ 1,725.00</u>
Total Fees	= \$ 1,950.00
<u>Less payments</u>	<u>= \$ (975.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 975.00

2. Respondent Presidential Brokerage, Inc. is charged with the following fees and costs:

Member Fees	= \$ 3,100.00
<u>Less payments</u>	<u>= \$(1,000.00)</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 2,100.00

1. Respondents Presidential Brokerage, Inc. and Stephen W. Krochta are charged jointly and severally with the following fees and costs:


<u>Forum Fees</u>	<u>= \$ 1,725.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,725.00

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

ARBITRATION PANEL

Norman Cousins Sasahori, Esq., LL.M.	•	Public, Presiding Chair
Howard J. Barnhorst, II, Esq.	-	Public Arbitrator
Arnold Packer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Norman Cousins Sasahori, Esq., LL.M.
Chair, Public Arbitrator

07/20/01
Signature Date

Howard J. Barnhorst, II, Esq.
Public Arbitrator

Signature Date

Arnold Packer
Non-Public Arbitrator

Signature Date

7.20.01
Date of Service

ARBITRATION PANEL

Norman Cousins Sasamori, Esq., LLM	-	Public, Presiding Chair
Howard J. Barnhorst, II, Esq.	-	Public Arbitrator
Arnold Packer	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Norman Cousins Sasamori, Esq., LLM
Chair, Public Arbitrator

Signature Date

Howard J. Barnhorst, II, Esq.
Public Arbitrator

Signature Date



Arnold Packer
Non-Public Arbitrator

7/19/01

Signature Date

7-20-01

Date of Service