

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

George C Schwelling

Case No. 00-03721

Name of Respondent

Strategic Assets, Inc.

Hearing Site: Washington, D.C.

REPRESENTATION OF PARTIES

Claimant, George C. Schwelling, hereinafter referred to as "Claimant": Daniel A. Ball, Lewis, Goldberg & Ball, McLean, VA.

Respondent, Strategic Assets, Inc. hereinafter referred to as "Respondent" did not appear at the hearing and was not represented at the hearing by counsel. John J. Nigro, Law Offices of John J. Nigro, Woodbury, NY, had represented Respondent prior to the hearing.

CASE INFORMATION

Statement of Claim filed on: August 25, 2000.

Claimant signed the Uniform Submission Agreement: August 24, 2000.

Statement of Answer filed by Respondent on: November 7, 2000.

Respondent signed the Uniform Submission Agreement: November 6, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: that Respondent breached an employment contract with Claimant by failing to pay or reimburse Claimant for the legal costs incurred by Claimant in registering as a Strategic Assets broker in all states, and by unilaterally lowering Claimant's commission payout rate and withholding commissions.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: the claim is barred by the doctrines of laches, waiver, and estoppel; Claimant neglected to inform Respondent of complaints against Claimant; misrepresentation; failure to abide by the rules and regulations of regulatory authorities and applicable statutes; failure to properly serve clients and maintain books and records of activities; Claimant's relationship with

Respondent was other than principal/agent, employer/employee, or joint venturers; and, Claimant has received all compensation to which he was entitled.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages	\$ 42,457.98
Treble Damages	\$ 88,004.00
Interest	amount to be determined
Attorneys' Fees	amount to be determined
Other Costs	amount to be determined

Respondent, in their Answer, requested that the matter be dismissed with prejudice and that the costs of the arbitration be assessed against Claimant, along with any other relief deemed appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by of the Claimant the undersigned arbitrators (the "Panel") determined that Respondent Strategic Assets Inc. has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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) Claimant is awarded \$40,785.29 to be paid by Respondent;
- 2) Claimant is awarded \$5,810.89 in prejudgment interest, with interest beginning to accrue on June 2, 1999 and ceasing to accrue on October 16, 2001;
- 3) Claimant is awarded \$9,896.81 in attorney's fees;
- 4) Claimant's request for treble damages is denied in its entirety;
- 5) The parties shall bear their respective costs and expenses not delineated herein, except as Fees are specifically addressed below; and,
- 6) Any request for relief not specifically addressed herein is denied in its entirety.

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 = \$ 300

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Strategic Assets, Inc.

Member surcharge = \$ 1,500

Pre-hearing process fee = \$ 600

Hearing process fee = \$ 2,500

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 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 Panel x \$ 1,125 = \$ 1,125
Pre-hearing conference: June 22, 2001 1 session

Two (2) Hearing sessions x \$ 1,125 = \$ 2,250
Hearing Date: October 17, 2001 2 sessions

Total Forum Fees = \$ 3,375

The panel has assessed \$ 1,687.50 of the forum fees to Claimant.

The panel has assessed \$ 1,687.50 of the forum fees to Respondent.

Fee Summary

Claimant, Schwelling, is assessed and shall pay:

Initial Filing Fee = \$ 300

Forum Fees = \$ 1,687.50

Total Fees = \$ 1,987.50

Less payments = \$ 1,425.00

Balance Due NASD Dispute Resolution, Inc.	= \$ 562.50
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Respondent, Strategic Assets, Inc., is assessed and shall pay:

Member Fees	= \$ 4,600
Forum Fees	= \$ 1,687.50

Total Fees	= \$ 6,287.50
Less payments	= \$ 2,600

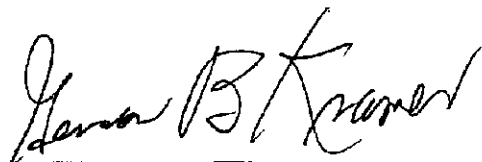
Balance Due NASD Dispute Resolution, Inc.	= \$3,687.50
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All balances are due to NASD Dispute Resolution, Inc.

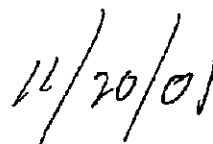
ARBITRATION PANEL

Gerson B. Kramer, Esq.	-	Public Arbitrator, Presiding Chairperson
Bruce Sanders, Esq.	-	Public Arbitrator, Panelist
Jeffrey S. Battles	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Gerson B. Kramer, Esq.
Public Arbitrator, Presiding Chairperson



Signature Date

Bruce Sanders, Esq.
Public Arbitrator, Panelist

Signature Date

Jeffrey S. Battles
Non-Public Arbitrator, Panelist

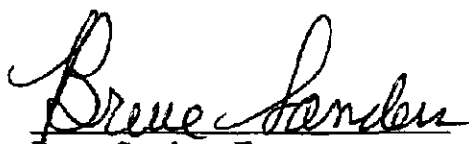
Signature Date

November 28, 2001
Date of Service (For NASD-Dispute Resolution office use only)

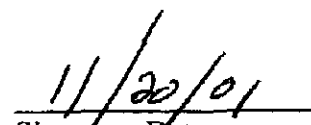
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