

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Peter Kruse, (Claimant) vs. Sands Brothers & Co., Ltd. and Peter Pak, (Respondents)

Case Number: 00-04687

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Peter Kruse, hereinafter referred to as "Claimant": Adam C. Silverstein, Esq., Golenbock, Eiseman, Assor & Bell, New York, NY.

Respondents, Sands Brothers & Co., Ltd. ("Sands") and Peter Pak ("Pak"), hereinafter collectively referred to as "Respondents": Barry M. Bordetsky, Esq., Littman Krooks Roth & Ball P.C., New York, NY.

CASE INFORMATION

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

Claimant signed the Uniform Submission Agreement: October 20, 2000.

Joint Statement of Answer filed by Respondents on or about: January 19, 2001.

Sands signed the Uniform Submission Agreement: January 18, 2001.

Pak signed the Uniform Submission Agreement: January 18, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; breach of contract; negligence; fraud; and negligent failure to supervise. Claimant's claim involved a variety of stocks.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant has failed to state a cause of action upon which relief may be granted; Claimant is not entitled to an Award of attorneys' fees, claim filing fees, arbitration expenses, or any other fees or costs; Claimant is barred by the doctrines of ratification, estoppel, waiver, and laches; Claimant is barred by the doctrine of unclean hands; Claimant is not entitled to pre-award or post-award interest; Claimant's damages, if any, are speculative; the losses allegedly sustained by Claimant were a direct and proximate result of Claimant's own conduct and/or negligence and not by any act or omission on the part of Respondents; Claimant failed to take reasonable and prudent action in order to mitigate his losses; the facts of this case, as a matter of law, do not

support a claim for punitive damages; Respondents acted in good faith and in compliance with all applicable rules and regulations; Respondents discharged their responsibilities in a professional and ethical manner, in good faith, and in accordance with the investment objectives expressed by Claimant; Claimant's claims are barred by all applicable and governing securities statutes; and Claimant has failed to allege fraud with particularity with respect to Respondents.

RELIEF REQUESTED

Claimant requested an Award jointly and severally against Respondents as follows:

- a. Awarding Claimant on each of his claims compensatory damages in the approximate amount of \$315,000.00, plus 750 shares of Veritas Software stock (or the value thereof), together with interest thereon;
- b. Awarding Claimant his costs in bringing this proceeding, including reasonable attorneys' fees; and
- c. Granting Claimant such other and further relief as the Panel deems just and proper.

Respondents requested that the Panel deny all of Claimant's prayers for relief.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents made a Motion to Dismiss at the close of evidence. The Panel granted the Motion as to the fraud claim only.

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Sands and Pak be and hereby are jointly and severally liable for and shall pay to Claimant the sum of \$300,960.08 as compensatory damages, inclusive of interest.
2. All other requests for relief are hereby denied.

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 = \$ 300.00

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 events giving rise to the dispute. In this matter, Sands Brothers & Co., Ltd. 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:

Oct. 23, 24 & 25, 2001, adjournment by Claimant = \$ 1,125.00

Forum Fees and Assessments

The Panel assesses 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:

Two (2) Pre-hearing sessions with Panel x \$1,125.00 = \$ 2,250.00

Pre-hearing conferences:	April 6, 2001	1 session
	February 4, 2002	1 session

Eight (8) Hearing sessions x \$1,125.00 = \$ 9,000.00

Hearing Dates:	November 13, 2001	2 sessions
	November 14, 2001	2 sessions
	April 29, 2002	2 sessions
	April 30, 2002	2 sessions

Total Forum Fees = \$11,250.00

The Panel has assessed all of the forum fees against Sands.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
<u>Adjournment Fee</u>	= <u>\$ 1,125.00</u>
Total Fees	= \$ 1,425.00
<u>Less payments</u>	= <u>\$ 2,850.00</u>
Refund Due Claimant	= \$ 1,425.00

2. Sands be and hereby is solely liable for:

Member Fees	= \$ 4,600.00
<u>Forum Fees</u>	= <u>\$11,250.00</u>
Total Fees	= \$15,850.00
<u>Less payments</u>	= <u>\$ 4,000.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$11,850.00


All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Robert E. Bartkus, Esq.	-	Public Arbitrator, Presiding Chair
Shelley Teitelbaum, Esq.	-	Public Arbitrator
James N. Baxter	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



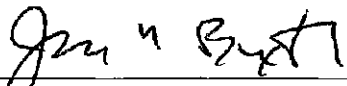
Robert E. Bartkus, Esq.
Public Arbitrator, Presiding Chair

6-12-02

Signature Date

Shelley Teitelbaum, Esq.
Public Arbitrator

Signature Date



James N. Baxter
Industry Arbitrator

6-12-02

Signature Date

June 18, 2002

Date of Service (For NASD office use only)

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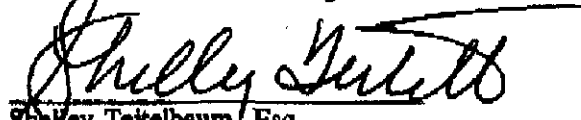
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Robert E. Bartkus, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Shelley Teitelbaum, Esq.
Public Arbitrator


Signature Date

James N. Baxter
Industry Arbitrator

Signature Date

June 18, 2002
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