

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Czeslawa Billines, as Custodian for Melissa Billines and Angelica Billines, (Claimants) vs.
Ladenburg Thalmann & Co. Inc. and Joseph Rodriguez, (Respondents)

Case Number: 00-04866

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Czeslawa Billines, as Custodian for Melissa Billines and Angelica Billines, hereinafter referred to as "Claimants": William A. DeLorenzo, Esq., Law Office of William A. DeLorenzo, New York, NY.

Respondent, Ladenburg Thalmann & Co. Inc. ("Ladenburg"): Joseph Giovanniello, Jr., Esq., Senior Vice President and General Counsel, Ladenburg Thalmann & Co. Inc., New York, NY.

Respondent, Joseph Rodriguez ("Rodriguez"): Craig S. Brown, Esq., Mound, Cotton & Wollan, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 1, 2000.

Claimants signed the Uniform Submission Agreement: October 4, 2000.

Statement of Answer filed by Ladenburg on or about: January 9, 2001.

Ladenburg signed the Uniform Submission Agreement: January 9, 2001.

Statement of Answer filed by Rodriguez on or about: January 9, 2001.

Rodriguez signed the Uniform Submission Agreement: January 9, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: unauthorized trade; unsuitability; misrepresentations; and failure to properly supervise. Claimants' claim involved the stock of Andrea Electronics Corp.

Unless specifically admitted in his Answer, Rodriguez denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a claim upon which relief can be granted; Claimants were fully aware from the onset of the risks of profits and losses associated with their investments and voluntarily assumed the risks; Claimants are barred from recovery by the equitable doctrine of unclean hands; Claimants are barred from recovery under the doctrines of ratification, estoppel, waiver, laches, and consent by their failure to notify Respondents of alleged acts and/or omissions of which they now complain after receipt of written confirmations, monthly statements, and other documents evidencing or setting forth the transactions in Claimants' accounts; Claimants failed to notify Rodriguez or act to change their investment strategies if the investments in their accounts failed to perform in accordance with their expectations; Claimants failed to exercise the degree of care over their affairs and investments which an ordinary, prudent investor would exercise; any damages Claimants allegedly suffered were not caused by Rodriguez; and Claimants failed to act with due diligence to mitigate her damages.

RELIEF REQUESTED

Claimants requested:

1. An abrogation of the imprudent, unauthorized, and unsuitable transaction initiated by Rodriguez in Claimants' account;
2. Compensatory damages in the amount of \$16,760.00, together with interest at the rate of 9% per annum from May 26, 1998 to the date of the Award;
3. Attorneys' fees in an amount determined by the Panel to be proper under the circumstances;
4. Reimbursement of the filing fees deposited by Claimants with NASD Dispute Resolution, Inc. in commencing and pursuing this proceeding; and
5. Such other and further relief as the Panel may deem just and proper in this proceeding.

Rodriguez requested judgement against Claimants, dismissing the Statement of Claim and awarding to Rodriguez all costs and fees associated with this proceeding.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing in this matter, Claimants entered into a settlement agreement with Respondent Ladenburg.

During the hearing in this matter, Rodriguez made a Motion to Dismiss. The Arbitrator determined to reserve decision on said Motion until the conclusion of the case.

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

1. Claimants' claims are hereby dismissed in their entirety.
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	= \$125.00
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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, Ladenburg Thalmann & Co. Inc. is a party.

Member surcharge	= \$400.00
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Forum Fees and Assessments

The Arbitrator 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:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$450.00
Pre-hearing conference: April 6, 2001	1 session

One (1) Hearing session x \$450.00	= \$450.00
Hearing Date: July 17, 2001	1 session
Total Forum Fees	= \$900.00

1. The Arbitrator has assessed \$450.00 of the forum fees jointly and severally against Claimants.
2. The Arbitrator has assessed \$450.00 of the forum fees against Rodriguez.

Fee Summary

1. Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$125.00
Forum Fees	= \$450.00
Total Fees	= \$575.00
Less payments	= \$575.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00
2. Ladenburg be and hereby is solely liable for:

Member Fees	= \$400.00
Total Fees	= \$400.00
Less payments	= \$400.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00
3. Rodriguez be and hereby is solely liable for:

Forum Fees	= \$450.00
Total Fees	= \$450.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$450.00

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

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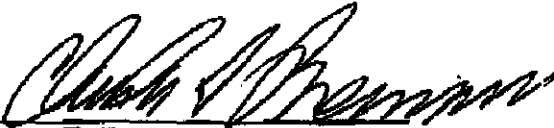
ARBITRATION PANEL

Charles F. Brennan, Esq.

Public Arbitrator

Arbitrator's Signature

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.


Charles F. Brennan, Esq.
Public Arbitrator

7/30/2001
Signature Date

July 31, 2001
Date of Service (For NASD office use only)