

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Ludwig Cserhat, (Claimant) vs. Investors' Advocate, LLC, Steven Maczka, and Jason Watkins, (Respondents)

Case Number: 00-05085

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Ludwig Cserhat, hereinafter referred to as "Claimant", appeared *pro se*.

Respondent, Investors' Advocate, LLC ("IA"), Steven Maczka ("Maczka"), and Jason Watkins ("Watkins"), hereinafter collectively referred to as "Respondents", did not appear at the hearing in this matter.

CASE INFORMATION

Statement of Claim filed on or about: November 14, 2000.

Claimant signed the Uniform Submission Agreement.

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

IA signed the Uniform Submission Agreement: January 29, 2001.

Maczka signed the Uniform Submission Agreement: January 16, 2001.

Watkins signed the Uniform Submission Agreement: January 16, 2001.

CASE SUMMARY

Claimant asserted the following cause of action: failure to pay commissions earned.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: IA's intention had been to compensate Claimant in October 2000, however Claimant chose to file for arbitration prior to the completion of the agreed upon terms; Claimant's failure to follow the agreed upon terms prompted IA to withhold final compensation until such time as IA could appropriately follow the NASD Code of Arbitration Procedure as Claimant had filed for and requested; and any punitive damages suffered or interest lost as a result of Claimant filing for arbitration are not the responsibility of IA.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$24,937.24, punitive damages in the amount of \$25,000.00, and lost interest in the amount of \$1,000.00.

Respondents requested that Claimant's demand for punitive damages and interest be stricken from the Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

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

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

1. IA be and hereby is solely liable for and shall pay to Claimant the sum of \$24,947.24 as compensatory damages, plus interest at the rate of 9% accruing from October 15, 2000 until date of payment.
2. Claimant's request for punitive damages is hereby denied.
3. NASD Dispute Resolution, Inc. shall refund to Claimant the filing fee previously paid in the amount of \$175.00.
4. 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 = \$ 175.00

As stated in the "Award" section above, NASD Dispute Resolution, Inc. shall refund the filing fee previously paid by Claimant. The Panel assessed the initial non-refundable filing fee jointly and severally against respondents.

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, Investors' Advocate, LLC is a party.

Member surcharge = \$ 800.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$1,000.00

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:

One (1) Pre-hearing session with Panel x \$600.00 = \$ 600.00
Pre-hearing conference: June 21, 2001 1 session

One (1) Hearing session x \$600.00 = \$ 600.00
Hearing Date: December 4, 2001 1 session

Total Forum Fees = \$1,200.00

The Panel has assessed all of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimant be and hereby is solely liable for:

<u>Total Fees</u>	= \$ 0.00
<u>Less payments</u>	= \$ 775.00
Refund Due Claimant	= \$ 775.00

2. IA be and hereby is solely liable for:

<u>Member Fees</u>	= \$2,400.00
<u>Total Fees</u>	= \$2,400.00
<u>Less payments</u>	= \$ 741.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,659.00

3. Respondents be and hereby are jointly and severally liable for:

<u>Forum Fees</u>	= \$1,200.00
<u>Initial non-refundable filing fee</u>	= \$ 175.00
<u>Total Fees</u>	= \$1,375.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,375.00

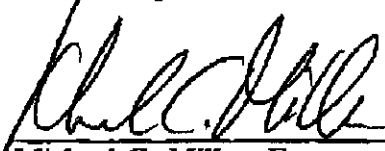
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Michael C. Miller, Esq.	-	Industry Arbitrator, Presiding Chair
Paul Kanischak	-	Industry Arbitrator
Donald N. Cohen, Esq.	-	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.



Michael C. Miller, Esq.
Industry Arbitrator, Presiding Chair

12/20/01

Signature Date

Paul Kanischak
Industry Arbitrator

Signature Date

Donald N. Cohen, Esq.
Industry Arbitrator

Signature Date

January 9, 2002

Date of Service (For NASD office use only)

ARBITRATION PANEL

Michael C. Miller, Esq.	-	Industry Arbitrator, Presiding Chair
Paul Kanischak	-	Industry Arbitrator
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Michael C. Miller, Esq.
Industry Arbitrator, Presiding Chair

Signature Date



Paul Kanischak
Industry Arbitrator



Signature Date

Donald N. Cohen, Esq.
Industry Arbitrator

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Michael C. Miller, Esq.
Industry Arbitrator, Presiding Chair

Signature Date

Paul Kanischak
Industry Arbitrator

Signature Date



Donald N. Cohen, Esq.
Industry Arbitrator

12-24-01

Signature Date

January 9, 2002

Date of Service (For NASD office use only)