

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Gilford Securities, Inc., (Claimant) vs. Kevin Sylla, (Respondent)

Case Number: 00-05144

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Gilford Securities, Inc., hereinafter referred to as "Claimant": Michael Kalmus, Esq. Attorney at Law, New York, NY. Previously represented by: Norman S. Lawi, Esq., General Counsel, Gilford Securities, Inc., New York, NY.

Respondent, Kevin Sylla, hereinafter referred to as "Respondent", did not appear at the hearing in this matter.

CASE INFORMATION

Statement of Claim filed on or about: November 16, 2000.

Claimant signed the Uniform Submission Agreement: November 16, 2000.

Statement of Answer filed by Respondent on or about: January 24, 2001.

Respondent signed the Uniform Submission Agreement: January 24, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: default on Promissory Note; breach of contract; false and misrepresentative assertions; and breach of fiduciary and trust obligations.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Respondent's dealings with Claimant were conducted with the utmost honesty and integrity; from the date of Respondent's hire, it was Claimant that made false and misrepresentative statements to Respondent; Claimant agreed to provide a written contract at the time of Respondent's hire, but never produced such a contract to Respondent; and Respondent was forced to resign as Claimant made several promises essential for Respondent to conduct his practice at the time of hire which were never honored.

RELIEF REQUESTED

Claimant requested:

- a. Compensatory damages for the full amount of the Promissory Note in the sum of \$25,000.00;
- b. Interest at the prevailing market rate from October 7, 2000;
- c. Costs and expenses related to this proceeding; and
- d. Such other relief as the Arbitrator deems just and equitable.

Respondent did not make any relief requests in his Statement of Answer.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrator (the "Arbitrator") determined that Respondent 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 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 Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant the sum of \$25,000.00 as compensatory damages, plus interest at the rate of 5% accruing from October 7, 2000 until paid.
2. Respondent is liable for and shall pay to Claimant the sum of \$4,540.00 as attorneys' fees. The Arbitrator awarded attorneys' fees pursuant to the terms of the Promissory Note signed by Respondent.
3. Respondent is liable for and shall pay to Claimant the sum of \$750.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution.
4. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 750.00

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, Gilford Securities, Inc. is a party.

Member surcharge = \$ 400.00

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: October 3, 2001 1 session

One (1) Hearing session x \$450.00 = \$ 450.00

Hearing Date: August 13, 2002 1 session

Total Forum Fees = \$ 900.00

The Arbitrator has assessed all of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 750.00

Member Fees = \$ 400.00

Total Fees = \$1,150.00

Less payments = \$2,800.00

Refund Due Claimant = \$1,650.00

As stated in the "Award" section above, Respondent is liable and shall reimburse Claimant for the \$750.00 filing fee.

2. Respondent is solely liable for:

<u>Forum Fees</u>	= \$ 900.00
<u>Total Fees</u>	= \$ 900.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 900.00

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

ARBITRATION PANEL

Romaine L. Gardner, Esq. -

Non-Public Arbitrator, Presiding Chair

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.



Romaine L. Gardner, Esq.
Non-Public Arbitrator, Presiding Chair

9/25/02
Signature Date

September 25, 2002

Date of Service (For NASD Dispute Resolution use only)