

**AWARD**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between

Robert Clauss

and

01-00458  
Omaha, Nebraska

Prime Charter Ltd. and  
Craig M. Skop

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**REPRESENTATION OF PARTIES**

Robert Clauss ("Claimant") who is a lawyer, represented himself.

Prime Charter, Ltd. ("Prime Charter") and Craig M. Skop ("Skop"), hereinafter referred to as "Respondents," were represented by Evelyn Bukchin, Esq., Prime Charter Ltd., New York, New York.

**CASE INFORMATION**

The Statement of Claim was filed on or about February 9, 2001. The Submission Agreement of Claimant Robert Clauss was signed on or about January 18, 2001.

Statement of Answer was filed by Respondents Prime Charter Ltd. and Craig M. Skop on or about March 6, 2001. The Submission Agreement of Respondent Prime Charter was signed on or about March 5, 2001 by Karen M. Cullen, General Counsel. The Submission Agreement of Respondent Skop was signed on or about March 5, 2001.

Respondents filed a Motion to Dismiss on or about August 23, 2001. Claimant filed a Response to Respondents' Motion to Dismiss on or about August 30, 2001.

**CASE SUMMARY**

Claimant asserted the following causes of action against Skop: Section 10(b) of the Federal Securities Exchange Act of 1934, fraud under the Iowa Uniform Securities Act, breach of fiduciary duty, violation of applicable NASD rules and breach of contract. Claimant asserted the following causes of action against Prime Charter: employer and control person liability for Skop's actions. The causes of action relate to Claimant's margin position in CONV.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: the Statement of Claim is barred by the doctrines of estoppel and waiver, the Statement of Claim is barred by the doctrine of ratification, all trades and positions were authorized, approved, and ratified by Claimant, Claimant knowingly, willingly and voluntarily assumed the risks of his investments, and any losses incurred were a result of market fluctuations.

### **RELIEF REQUESTED**

Claimant requested actual damages of \$9,776.04 plus \$4,549.54 had his order been properly filled, or a total award in the amount of \$14,325.58, plus interest, attorney's fees should counsel be retained and other expenses including margin interest, and punitive damages.

Respondents requested that the claims asserted against them be denied in its entirety and that they be awarded their costs and attorneys' fees.

### **OTHER ISSUES CONSIDERED & DECIDED**

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

The Arbitrator denied Respondents' Motion to Dismiss and ordered Claimant to produce documents.

### **AWARD**

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Claimant's claims, each and all, are denied with prejudice;
- 2.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 3.) That any relief not specifically enumerated, including punitive damages, is hereby denied with prejudice.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. will retain the non-refundable filing fees for each claim:

Initial claim filing fee = \$125.00

#### **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, the member firm is Prime Charter, Ltd.

Member surcharge = \$ 400.00

**Forum Fees and Assessments**

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator x \$450.00 = \$ 900.00  
Pre-hearing conferences: August 15, 2001 1 session  
September 21, 2001 1 session

Two (2) Hearing sessions x \$450.00 = \$ 900.00  
Hearing Date: May 6, 2002 2 sessions  
Total Forum Fees = \$1,800.00

The Arbitration Panel has assessed \$1,800.00 of the forum fees to Robert Clauss.

**Fee Summary**

Claimant, Robert Clauss, is liable for:

Initial Filing Fee	= \$ 125.00
Forum Fees	= \$ 1,800.00
<u>Total Fees</u>	<u>= \$ 1,925.00</u>
<u>Less payments</u>	<u>= \$ 450.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,475.00

Respondent, Prime Charter Ltd., is liable for:

Member Fees	= \$ 400.00
<u>Total Fees</u>	<u>= \$ 400.00</u>
<u>Less payments</u>	<u>= \$ 400.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

All balances are due to NASD Dispute Resolution, Inc.

**ARBITRATION PANEL**

Richard A. Knudsen - Public Arbitrator, Presiding Chair

Concurring Arbitrator:

/s/ Richard A. Knudsen  
Richard A. Knudsen  
Public Arbitrator, Presiding Chair

05/15/02  
Signature Date

05/15/02  
Date of Service (For NASD office use only)

Member surcharge

= \$ 400.00

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