

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Stanford Group Company

Case No. 01-00680

Hearing Site: Boca Raton, Florida

Name of Respondent

Pablo F. Droira

Name of Third Party Claimant

Sandra S. Droira

REPRESENTATION OF PARTIES

For Stanford Group Company ("Stanford") hereinafter referred to as "Claimant": Rebecca Hamric, Attorney, Stanford Financial Group Company, Houston, Texas, and after a Notice of Appearance was received on August 8, 2001, Melanie S. Cherdack, Esq., Genovese, Lichtman, Joblove & Battista, P.A., Miami, Florida until a Notice of Appearance was received on October 9, 2001. Thereafter, Claimant was represented by Marc S. Dobin, Esq., Dobin and Jenks, LLP, Jupiter, Florida.

For Pablo F. Droira ("P. Droira") hereinafter referred to as "Respondent": David A. Weintraub, Esq., Fort Lauderdale, Florida.

For Sandra S. Droira ("S. Droira") hereinafter referred to as "Third Party Claimant": David A. Weintraub, Esq., Fort Lauderdale, Florida.

CASE INFORMATION

Statement of Claim filed on or about: February 9, 2001.

Claimant signed the Uniform Submission Agreement: February 7, 2001.

Statement of Answer and Counterclaim filed by Respondent on or about: August 28, 2001.

Respondent signed the Uniform Submission Agreement: August 28, 2001.

Third Party Claim filed on or about: August 28, 2001.

Third Party Claimant filed the Uniform Submission Agreement: August 28, 2001.

Statement of Answer to Counterclaim filed by Claimant on or about: September 7, 2001.

CASE SUMMARY

Claimant asserted the following: In connection with his employment with Claimant,

Respondent defaulted on the Promissory Note which was payable to Claimant. The Promissory Note was executed in furtherance of a Forgivable Loan which was signed by Respondent on June 1, 2001.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

In addition, Respondent asserted the following in his counterclaim: 1) Claimant fraudulently induced Respondent to leave his prior employment; and 2) Claimant converted securities and cash of Respondent to Claimant's own use.

Third Party Claimant asserted the following in her third party claim against Claimant: 1) Claimant fraudulently induced Respondent to leave his prior employment; and 2) Claimant converted securities and cash of Third Party Claimant to Claimant's own use.

Unless specifically admitted in its Answer, Claimant denied the allegations made in the counterclaim/third party claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of \$273,477.92, plus interest, attorney's fees, the costs of this proceeding and such other relief as is deemed just and proper. In addition, the Claimant requested dismissal of the counterclaim and alleged third party claim.

Respondent requested that all claims against him be dismissed and such other and further relief as is deemed just and proper. In his counterclaim, Respondent requested compensatory damages of \$269,000.00, plus the costs of this proceeding and such other relief as is deemed just and proper.

Third Party Claimant requested compensatory damages of \$269,000.00 against Claimant, plus the costs of this proceeding and such other relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

At the conclusion of the evidentiary hearing, the panel issued the following rulings:

(a) Claimant requested that the counterclaim be dismissed and that the third party claim be barred. The undersigned arbitrators (the "Panel"), after considerable deliberation, approved the motion to dismiss and bar based on Respondent/Third Party Claimant's failure to file the counterclaim/third party claim in the time period required under Rule 10314(b) (1) of the NASD Code of Arbitration Procedure (the "Code").

(b) Respondent's request that the claim be dismissed in its entirety was denied

by the panel.

(c) Respondent's request to bar all testimony regarding Respondent's providing of fraudulent information to Claimant regarding his production at Citicorp was granted.

(d) Respondent's request to provide a brief regarding an award of attorney's fees was initially denied. After subsequent deliberation, the panel requested briefs including clarification as to whether under Texas law, the Claimant would be entitled to attorney's fees or a percentage of the Award as attorney's fees.

(e) The panel determined that the securities at issue should be valued on January 10, 2001, the date of Respondent's dismissal.

The parties agreed that the Award in this matter may be executed in counterpart copies.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") have decided in full and final resolution of the issues submitted for determination as follows:

Respondent Droira is liable and shall pay to Claimant the sum of \$231,791.05 in compensatory damages, plus interest at the rate of 4.94% per annum from February 3, 2001 until the date of payment of the Award. The damages are awarded based upon the Respondent's default on the Promissory Note and Forgivable Loan.

The counterclaim is dismissed in its entirety, without prejudice.

The third party claim is dismissed in its entirety, without prejudice.

Any and all other requests for relief not specifically addressed herein are denied, including both parties' requests for attorneys' fees.

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	= \$1,000.00
Counterclaim/third party 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, the member firm 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:

October 8 and 9, 2001 hearing dates, adjournment requested by Respondent, adjournment fee assessed against Respondent = \$1,125.00.

October 22 and 23, 2001 hearing dates, adjournment requested by Respondent. Adjournment request was denied by the panel.

Forum Fees and Assessments

The panel has the authority to assess 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 \$1,125.00	= \$1,125.00
Pre-hearing conference: July 13, 2001	1 session
Four (4) Hearing sessions x \$1,125.00	= \$4,500.00
Hearing Dates: October 22, 2001	2 sessions
October 23, 2001	2 sessions
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Total Forum Fees	= \$5,625.00

The panel has assessed \$2,812.50 of the forum fees to Claimant.

The panel has assessed \$2,812.50 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs associated with this proceeding.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$4,600.00
Forum Fees	= \$2,812.50

Total Fees	= \$8,412.50
Less payments	= \$6,725.00

Balance Due NASD Dispute Resolution, Inc.	= \$1,687.50
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Respondent be and hereby is solely liable for:

Counterclaim Filing Fee	= \$ 300.00
Adjournment Fee	= \$1,125.00
Forum Fees	= \$2,812.50

Total Fees	= \$4,237.50
Less payments	= \$2,550.00

Balance Due NASD Dispute Resolution, Inc.	= \$1,687.50
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All balances are payable to NASD Dispute Resolution, Inc. and are due immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

<i>John C. Schenck</i>	-	<i>Non-Public Arbitrator, Presiding Chair</i>
<i>Bernard Finger</i>	-	<i>Non-Public Arbitrator</i>
<i>Frederick T.W. Reed</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures

/s/
John C. Schenck
Non-Public Arbitrator, Presiding Chair

Signature Date

/s/
Bernard Finger
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 01-00680

/s/

Frederick T.W. Reed
Non-Public Arbitrator

Signature Date

December 17, 2001

Date of Service (For NASD-Dispute Resolution office use only)

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$4,600.00
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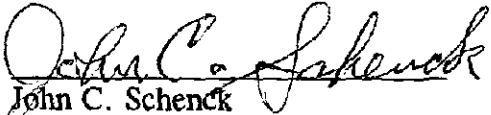
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<i>Frederick T.W. Reed</i>	-	<i>Non-Public Arbitrator</i>

Concurring Arbitrators' Signatures


John C. Schenck
Non-Public Arbitrator, Presiding Chair

12-14-01
Signature Date

Bernard Finger
Non-Public Arbitrator

Signature Date

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Initial Filing Fee	= \$1,000.00
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Bernard Finger	-	Non-Public Arbitrator
Frederick T.W. Reed	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

John C. Schenck
Non-Public Arbitrator, Presiding Chair

Signature Date

Bernard Finger
Non-Public Arbitrator

12/14/01
Signature Date

NASD Dispute Resolution, Inc.
Arbitration No. 01-00680

Frederick T. W. Reed
Frederick T. W. Reed
Non-Public Arbitrator

Dec 14, 2001
Signature Date

Date of Service (For NASD Dispute Resolution office use only)