

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Richard Carroll, (Claimant) vs. Ladenburg Thalmann & Co. Inc. and Michael Kordich,
(Respondents)

Case Number: 01-02617

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Richard Carroll, hereinafter referred to as "Claimant", appeared *pro se*.

Respondent, Ladenburg Thalmann & Co. Inc. ("Ladenburg"): Peter J. Biging, Esq.,
Ohrenstein & Brown, LLP, Garden City, NY. Previously represented by: Faun M. Phillipson,
Esq., Winget, Spadafora & Schwartzberg, LLP, New York, NY.

Respondent, Michael Kordich ("Kordich"), appeared *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: May 17, 2001.

Response to Ladenburg's Motion to Dismiss filed by Claimant on or about: September 21,
2001.

Claimant signed the Uniform Submission Agreement: May 17, 2001.

Statement of Answer and Motion To Dismiss filed by Ladenburg on or about: July 13, 2001.

Ladenburg signed the Uniform Submission Agreement: July 17, 2001.

Statement of Answer filed by Kordich on or about: July 13, 2001.

Kordich signed the Uniform Submission Agreement: July 13, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: churning; excessive commissions;
misrepresentations; fraud; unsuitability; and unauthorized trading. Claimant's claim involved
investments in Cable Marketing Services and Stanfield Educational Alternatives, as well as
other unspecified securities.

Unless specifically admitted in its Answer, Ladenburg denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant has failed entirely to state a claim against Ladenburg; Claimant's grievances do not arise from any investment activity transacted through Claimant's account with Ladenburg; Ladenburg cannot be held liable for private investments that are not related to any investment activity Claimant conducted with Ladenburg; Claimant's Statement of Claim represents nothing more than a belated complaint letter written by a dissatisfied customer who has now, for one reason or another, come to regret certain private investments that he previously made; Claimant has completely ignored the minimal pleading requirements mandated by the NASD Code of Arbitration Procedure, which requires that a Statement of Claim set forth the relevant facts in support of any allegations of wrongdoing; and Claimant apparently named Ladenburg as a party to this action simply because the firm previously employed Respondent Kordich.

Unless specifically admitted in his Answer, Kordich denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$266,791.23, plus punitive damages in the amount of \$200,000.00.

Ladenburg requested that this matter be dismissed in its entirety as against Ladenburg, and that Ladenburg be awarded its costs, including attorneys' fees, incurred in defending against Claimant's frivolous claims.

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

OTHER ISSUES CONSIDERED AND 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.

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. Claimant's 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 will retain or collect the non-refundable filing fees for each claim:

Initial 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, Ladenburg Thalmann & Co. Inc. is a party.

Member surcharge = \$1,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$2,500.00

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:

Two (2) Pre-hearing sessions with Panel x \$1,125.00 = \$2,250.00

Pre-hearing conferences: January 11, 2002 1 session
 May 7, 2002 1 session

Three (3) Hearing sessions x \$1,125.00 = \$3,375.00

Hearing Dates: July 29, 2002 2 sessions
 July 30, 2002 1 session

Total Forum Fees = \$5,625.00

1. The Panel has assessed \$2,812.50 of the forum fees against Claimant.
2. The Panel has assessed \$2,812.50 of the forum fees against Ladenburg.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$2,812.50
Total Fees	= \$3,112.50
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$1,687.50

2. Ladenburg be and hereby is solely liable for:

Member Fees	= \$4,600.00
Forum Fees	= \$2,812.50
Total Fees	= \$7,412.50
Less payments	= \$4,600.00
Balance Due NASD Dispute Resolution	= \$2,812.50

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

NASD Dispute Resolution
Arbitration No. 01-02617
Award Page 5

ARBITRATION PANEL

Roy L. Weiss, Esq.	-	Public Arbitrator, Presiding Chair
Saul Scheier, Esq.	-	Public Arbitrator
John J. Witkowski, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signature(s)

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.



Roy L. Weiss, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Saul Scheier, Esq.
Public Arbitrator

Signature Date

John J. Witkowski, Jr., Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Roy L. Weiss, Esq.	-	Public Arbitrator, Presiding Chair
Saul Scheier, Esq.	-	Public Arbitrator
John J. Witkowski, Jr., Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signature(s)

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.

Roy L. Weiss, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Saul Scheier, Esq.
Public Arbitrator

Signature Date



John J. Witkowski, Jr., Esq.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)