

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

John V. Dvorak

Case Number: 01-02991

Names of the Respondents

Joseph Gunnar & Co., LLC
Theodore Hiotis, Individually, and
Correspondent Services Corporation

Hearing Site: Tampa, Florida

Nature of the Dispute: Customer vs. Member and Associated Person.

REPRESENTATION OF PARTIES

For John V. Dvorak, hereinafter referred to as "Claimant": James D. Keeney, Esq., James D. Keeney, P.A., Sarasota, Florida.

For Respondent Correspondent Services Corporation ("CSC"), Richard L. Martins, Esq., Boose Casey Ciklin Lubitz Martens McBance & O'Connell, West Palm Beach, Florida.

For Respondent Joseph Gunnar & Co., LLC ("J. Gunnar") and Respondent Theodore Hiotis ("Hiotis"): John E. Lawlor, Esq., John E. Lawlor Attorney at Law, Mineola, New York.

CASE INFORMATION

Statement of Claim filed on or about: June 5, 2001.

Claimant signed the Uniform Submission Agreement: April 23, 2001.

Answer and Affirmative Defenses filed by Respondent CSC, Respondent J. Gunnar and Respondent Hiotis on or about: October 22, 2001.

Respondent J. Gunnar signed the Uniform Submission Agreement: October 30, 2001.

Respondent Hiotis signed the Uniform Submission Agreement: November 1, 2001.

Respondent CSC did not submit an executed Uniform Submission Agreement.

Motion to Dismiss filed by CSC on or about: January 8, 2003.

Joint Motion to Transfer Case to Inactive Status file by Respondents on or about: February 21, 2003.

Joint Motion to Reconsider the Joint Motion to Transfer Case to Inactive Status file by Respondents on or about: March 10, 2003.

Motion to Dismiss, or in the alternative, Request for a Hearing on the Issue of Claimant's Ratification of his Attorneys' Alleged Unauthorized Settlement filed by Respondents on or about: August 29, 2005.

Reply to Respondents' Motion to Dismiss, or in the alternative, Request for a Hearing on the Issue of Claimant's Ratification of his Attorneys' Alleged Unauthorized Settlement filed by Claimant on or about: September 14, 2005.

Motion to Amend the Statement of Claim filed by Claimant on or about: June 22, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: 1) omissions; 2) fraud; 3) mismanagement; 4) negligence; 5) negligent supervision; 6) churning; 7) breach of fiduciary duty; 8) failure to supervise; 9) violation of Chapter 517.211 (2), Florida Statute; and 10) violation of Chapter 517.301, Florida Statute. The causes of action relate to Claimant's investments in, including but not limited to, At Home Corp., America Online, Inc., Compaq Computers, Corp. and Pfizer, Inc.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses. Respondent J. Gunnar and Respondent Hiotis also sought ratification of their prior settlement agreement with Claimant.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages between \$1,700,000.00 and \$2,500,000.00, including out-of-pocket losses and expectation damages; 2) pre-judgment interest; 3) costs; 4) expert witness fees; 4) attorneys' fees; and 5) such other relief as the undersigned arbitrators (the "Panel") deemed appropriate in the circumstances.

Respondents requested an order: 1) dismissing the Statement of Claim, with prejudice; 2) assessing Claimant the attorneys' fees, costs and expenses of maintaining this arbitration; and 3) expunging all references to these matters from Respondents' Central Registration Depository ("CRD") records.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent CSC did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and having answered the claim, is bound by the determination of the Panel on all issues submitted.

On or about March 3, 2003, Claimant filed with NASD Dispute Resolution a Notice of Dismissal as to Respondent CSC, with prejudice.

On or about March 5, 2003, the Panel denied the parties' Joint Motion to Transfer Case to Inactive Status. On or about March 13, 2003, the Panel granted the parties' Joint Motion to Reconsider the Joint Motion to Transfer Case to Inactive Status. On or about November 16, 2005, at the Panel's request, the above referenced arbitration proceeding was made active to hear argument on the issue of Claimant's ratification of the alleged unauthorized settlement agreement between Claimant and Respondents.

On or about September 29, 2005, the Panel entered an order denying the Respondents' Motion to Dismiss, denying the Claimant's Motion to Amend the Statement of Claim and granting the Respondents' request for a hearing on the issue of Claimant's ratification of his attorneys' alleged unauthorized settlement.

On or about April 21, 2005, the Claimant made an ore tenus motion to reschedule the evidentiary hearing in this matter.

On or about April 21, 2005, the Panel held a pre - hearing session with the parties. Arbitrator Bryson was not in attendance at this hearing. However, the parties elected to proceed with two arbitrators and the hearing commenced.

The parties 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 pre-hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The Panel finds that the Claimant, through his actions, ratified the terms of the settlement agreement.
2. The Panel denies Claimant's Motion for a Final Hearing.
3. The Panel denies Respondents' Motion to Dismiss.
4. The Panel directs Respondents to disburse the remaining funds per the terms of the settlement agreement.
5. Any and all claims for relief not specifically addressed herein, including Claimant's request for attorneys' fees and allegations under Chapter 517, Florida Statue, are denied.

FEEES

Pursuant to the NASD Code of Arbitration Procedure (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	= \$ 500.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, CSC and J. Gunnar are a parties and member firms.

Member Surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	= \$4,500.00
Total Member Fees	= \$7,600.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

December 10 – 13, 2002, request by Respondents	= \$1,200.00
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The Panel has assessed adjournment fees in the amount of \$1,200.00 to Respondent CSC, Respondent J. Gunnar and Respondent Hiotis, jointly and severally.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

There were no three-day cancellation fees assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

There were no injunctive relief fees assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Four (4) Pre-hearing sessions with the entire Panel @ \$1,200.00 per session	= \$ 4,800.00
Pre-hearing conferences: February 11, 2002 1 session	
June 20, 2005 1 session	
April 21, 2006 2 sessions	
<hr/> Total Forum Fees	<hr/> = \$ 4,800.00

The Panel has assessed forum fees in the amount of \$600.00 to Claimant for the February 11, 2002 pre-hearing conference.

The Panel has assessed forum fees in the amount of \$600.00 to Respondent CSC, Respondent J. Gunnar and Respondent Hiotis, jointly and severally, for the February 11, 2002 pre-hearing conference.

The Panel has assessed forum fees in the amount of \$600.00 to Claimant for the June 20, 2005 pre-hearing conference.

The Panel has assessed forum fees in the amount of \$600.00 to Respondent J. Gunnar and Respondent Hiotis, jointly and severally, for the June 20, 2005 pre-hearing conference.

The Panel has assessed forum fees in the amount of \$2,400.00 to Claimant for the April 21, 2006 pre-hearing conference.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs assessed during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 500.00
<u>Forum Fees</u>	<u>= \$3,600.00</u>
Total Fees	= \$4,100.00
<u>Less payments</u>	<u>= \$1,700.00</u>
Balance Due NASD Dispute Resolution	= \$2,400.00

Respondent CSC, Respondent J. Gunnar and Respondent Hiotis are jointly and severally liable for:

Forum Fees	=\$ 600.00
<u>Adjournment Fee</u>	<u>= \$1,200.00</u>
Total Fees	= \$1,800.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$1,800.00

Respondent CSC is solely liable for:

<u>Member Fees</u>	<u>= \$7,600.00</u>
Total Fees	= \$7,600.00
<u>Less payments</u>	<u>= \$7,600.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent J. Gunnar is solely liable for:

<u>Member Fees</u>	<u>= \$7,600.00</u>
Total Fees	= \$7,600.00
<u>Less payments</u>	<u>= \$7,600.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents J. Gunnar and Hiotis is jointly and severally liable for:

<u>Forum Fees</u>	<u>= \$ 600.00</u>
Total Fees	= \$ 600.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 600.00

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

ARBITRATION PANEL

Phillis A Cummins, CFA	-	Public Arbitrator, Presiding Chairperson
Fred L. Bryson, Jr., LLB	-	Public Arbitrator
Daniel B. Daugherty	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/
Phillis A Cummins, CFA
Public Arbitrator, Presiding Chairperson

4/27/06
Signature Date

/s/
Fred L. Bryson, Jr., LLB
Public Arbitrator

4/27/06
Signature Date

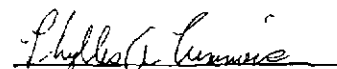
/s/
Daniel B. Daugherty
Non-Public Arbitrator

4/27/06
Signature Date

4/27/06
Date of Service (For NASD Dispute Resolution office use only)

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Public Arbitrator, Presiding Chairperson

4/27/06
Signature Date

Fred L. Bryson, Jr., LLB
Public Arbitrator

Signature Date

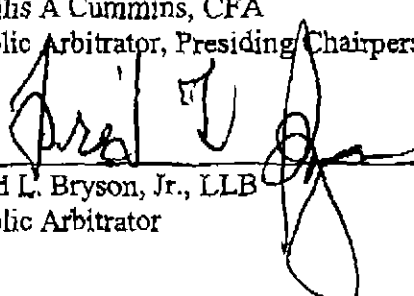
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Public Arbitrator, Presiding Chairperson



Fred L. Bryson, Jr., LLB
Public Arbitrator

Signature Date

4-27-06

Signature Date

Daniel B. Daugherty
Non-Public Arbitrator

Signature Date

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Apr. 26. 2006 5:29PM NASD
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Concurring Arbitrators' Signatures

Phillis A Cummins, CFA
Public Arbitrator, Presiding Chairperson

Signature Date

Fred L. Bryson, Jr., LLB
Public Arbitrator

Signature Date



Daniel B. Daugherty
Non-Public Arbitrator

4/27/06

Signature Date

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