

**Award**  
**NASD Dispute Resolution, Inc.**

In the Matter of the Arbitration Between

Name of Claimant

Preferred Securities Group, Inc.

Case No. 01-03105

Name of Respondent

Paul Brian Kopman

Hearing Site: Boca Raton, Florida

**REPRESENTATION OF PARTIES**

For Preferred Securities Group, Inc. ("Preferred"), hereinafter referred to as "Claimant":  
Victor Lessinger, President, Preferred Securities Group, Inc.

Paul Brian Kopman ("Kopman"), hereinafter referred to as "Respondent", appeared pro se.

**CASE INFORMATION**

Statement of Claim filed on or about: June 10, 2001.

Claimant's Uniform Submission Agreement signed on: June 10, 2001 by Victor Lessinger,  
President, on behalf of the firm.

Statement of Answer filed by Respondent on or about: August 14, 2001.

Respondent signed the Uniform Submission Agreement on: August 13, 2001.

**CASE SUMMARY**

Claimant alleged that Respondent, a former employee of Preferred, received a signing bonus and advance when he joined the firm in August, 2000 and that he breached the employment agreement which he signed at that time by failing to return the signing bonus and advance when his employment with Preferred terminated in May, 2001.

Unless specifically admitted in his Answer, Respondent denied the allegations of wrongdoing contained in the Statement of Claim and alleged that the contract he signed upon his employment with Preferred specifically states that any signing bonus and advance were returnable if he resigned prior to thirty six (36) months of his employment, but that he did not resign but was terminated prior to thirty six months of his employment and, therefore, he is not required to return the signing bonus and advance he received at the time of his employment. Respondent further alleged that Claimant defamed him by including defamatory language on Item 15 of his Form U-5.

### **RELIEF REQUESTED**

Claimant requested entry of an Award against Respondent in the sum of \$10,500.00, plus interest, the costs of these proceedings, attorney's fees and any additional relief deemed appropriate by the Arbitrator.

Respondent requested expungement of all references to this proceeding. Further, Respondent requested a dismissal of the claim and that Item 15 on his Form U-5 be amended to exclude the following language: Currently is, or at termination was, the individual under internal review for fraud or wrongful taking of property or violating investment related statutes, regulations, rules or industry standards of conduct.

### **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 found not liable and, therefore, all claims against him are denied.
2. The Arbitrator recommends that the "yes" answer to Item 15 of Respondent Kopman's Form U-5 which states: Currently is, or at termination was, the individual under internal review for fraud or wrongful taking of property, or violating investment related statutes, regulations, rules or industry standards of conduct, be changed to a "no" answer based on the defamatory nature of the information. Further, the Arbitrator recommends the expungement of all references to the above-captioned arbitration from Respondent Kopman's registration records maintained by the NASD Central Registration Depository ("CRD"). This expungement order is based upon the defamatory nature of the information in the CRD system.
3. Any and all requests for relief not specifically addressed herein, are denied.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure (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

= \$ 750.00

### **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. In this matter, the member firm is a party.

Member surcharge = \$ 400.00

### **Adjournment Fees**

Adjournments requested during these proceedings:

No adjournments were requested during these proceedings.

### **Forum Fees and Assessments**

The arbitrator has the authority to assess 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:

Three (3) Pre-hearing sessions with the single arbitrator x \$450.00 = \$1,350.00

Pre-hearing conference dates:      November 28, 2001 1 session  
   February 11, 2002 1 session  
   February 14, 2002 1 session

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

Hearing date:                              March 8, 2002      1 session

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Total Forum Fees = \$1,800.00

The arbitrator has assessed \$900.00 of the forum fees to Claimant.

The arbitrator has assessed \$900.00 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.

No administrative costs were incurred during these proceedings.

### **FEE SUMMARY**

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 750.00
Member Fees	= \$ 400.00
Forum Fees	= \$ 900.00

Less payments = \$1,600.00

Balance Due NASD Dispute Resolution, Inc.	= \$ 450.00
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**Respondent be and hereby is solely liable for:**

Forum Fees = \$ 900.00

<b>Total Fees</b>	<b>= \$ 900.00</b>
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Less payments = \$ 0.00

Balance Due NASD Dispute Resolution, Inc.	= \$ 900.00
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**All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.**

**ARBITRATION PANEL**

## Terrence L. Grant

### Non-Public/Sole Arbitrator

**Arbitrator's Signature**

### Sole Non-Public Arbitrator

**Signature      Date**

April 11, 2002

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

Total Fees	= \$2,050.00
Less payments	= \$1,600.00

Balance Due NASD Dispute Resolution, Inc.	= \$ 450.00
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Respondent be and hereby is solely liable for:

Forum Fees	= \$ 900.00
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Total Fees	= \$ 900.00
Less payments	= \$ 0.00

Balance Due NASD Dispute Resolution, Inc.	= \$ 900.00
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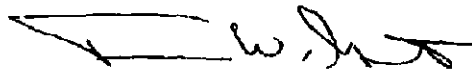
All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Terrence L. Grant

Non-Public/Sole Arbitrator

Arbitrator's Signature



Terrence L. Grant  
Sole Non-Public Arbitrator

4/11/02  
Signature Date

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