

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant/Counter-Respondent

RBC Dain Rauscher, Inc.
(Successor by Merger to Tucker Anthony, Inc.)

and

Case Number: 02-05329

Name of Respondent/Counter-Claimant

Deborah M. Nowacki

Consolidated with

Name of Claimant/Counter-Respondent

RBC Dain Rauscher, Inc.
(Successor by Merger to Tucker Anthony, Inc.)

and

Case Number: 02-05330
Hearing Site: Southfield, Michigan

Name of Respondent/Counter-Claimant

Albert C. Pryka

NATURE OF DISPUTE

Member v. Associated Persons and Associated Persons v. Member

REPRESENTATION OF PARTIES

RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.) ("Claimant" or "Counter-Respondent") was represented by Kevin B. Walker, Esq., and Kirsten Grossman, Esq., Bressler, Amery & Ross, P.C., Morristown, New Jersey.

Deborah M. Nowacki ("Nowacki") and Albert C. Pryka ("Pryka"), hereinafter referred to as "Respondents" or "Counter-Claimants," were represented by Thomas F. Cavalier, Esq., Kathryn A. Viviano, Esq., and Erica L. Fitzgerald, Esq., Barris, Sott, Denn & Driker, P.L.L.C., ("Barris Sott") Detroit, Michigan, as of on or about September 15, 2003. Barris Sott appeared for Respondents on or about September 13, 2003. Prior to counsel's appearance, Nowacki and Pryka appeared in pro per.

CASE INFORMATION

The Statement of Claim was filed on or about September 5, 2002, in Case # 02-05329. The Statement of Claim was filed on or about September 5, 2002, in Case # 02-05330. The Submission Agreement of Claimant RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.) was signed on or about June 28, 2002, by David Fogel, in Case #02-05329. Claimant's Submission Agreement was signed on or about June 28, 2002, by David Fogel, in case #02-05330.

The Statement of Answer and Counterclaim was filed jointly by Deborah M. Nowacki on or about December 5, 2002, in Case #02-05329 and Albert Pryka in Case # 02-5330. The Submission Agreement of Deborah M. Nowacki was signed on or about December 2, 2002. The Submission Agreement of Albert C. Pryka was signed on or about December 2, 2002.

Respondents filed a Motion to Consolidate on or about March 13, 2003. Claimants filed a Response on or about March 31, 2003.

Respondents filed a Stipulated Motion to Amend their Counterclaims on or about October 24, 2003.

Respondents filed their Amended and Clarified Counterclaim on or about November 13, 2003.

Claimant filed a Reply to the Amended and Clarified Counterclaim on or about February 27, 2004.

CASE SUMMARY

Claimant asserted breach of contract claims against each of the Respondents. Claimant alleged that Respondents failed to repay employee forgivable loans which were secured by promissory notes. Claimant asserted that, upon termination, Respondents were responsible for all remaining monies due pursuant to the acceleration clause contained in the promissory notes.

Unless specifically admitted in their Answer, Respondents, Nowacki and Pryka, denied the allegations made in the Statement of Claim and asserted defenses including the following: the initial misrepresentation and the change in payout and income structure that occurred as a result of the RBC buyout caused Respondents to tender their resignations; the Tucker Anthony office was unprofessional; and employees were harassed.

Respondents asserted counterclaims for lost business, inconvenience, undue stress, and anxiety. In their Amended and Clarified Counterclaim, Pryka asserted a claim for breach of commodities agreement, Nowacki asserted a claim for sexual harassment, and both Respondents asserted a claim for breach of referral agreement.

RELIEF REQUESTED

Claimant requested an award in the amount of \$310,753.00 from Deborah Nowacki, plus interest, attorneys' fees, disbursements and such other and further relief as the Panel deems appropriate. Claimant requested an award of \$250,465.37 from Albert Pryka, plus interest, attorneys' fees, disbursements and such other and further relief as the Panel deemed appropriate.

Nowacki and Pryka requested that the claims asserted against them be denied in their entirety and that they be awarded their attorneys' fees and such other relief as the panel deemed just and proper. Nowacki requested \$500,000.00 in her counterclaim. Pryka requested \$400,000.00 in his counterclaim. At hearing, Pryka requested damages of \$983,093.00 in his counterclaim.

OTHER ISSUES CONSIDERED & DECIDED

The panel granted Respondents' Motion to Consolidate cases #02-05329 and #02-05330 on or about April 4, 2003.

The Panel granted Respondents' Motion to Amend the Counterclaim on or about November 12, 2003, and deemed the Counterclaim filed on November 12, 2003.

The parties accepted the composition of the panel.

The parties filed post-hearing submissions on or about August 5, 2004.

Claimant's request to submit additional post-hearing submissions, which was contained in its post-hearing submission, is hereby denied.

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 NASD Dispute Resolution ("NASD").

AWARD

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

- 1.) Respondent, Deborah M. Nowacki, is liable for and shall pay to Claimant, RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.), the sum of \$92,117.67 in damages, plus interest of \$6,934.06 pursuant to the terms of the Notes;

- 2.) Respondent, Deborah M. Nowacki, is liable for and shall pay to Claimant, RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.), the sum of \$140,424.62 in attorneys' fees and costs pursuant to the terms of the Notes;
- 3.) The Counterclaim of Respondent Deborah Nowacki is denied and dismissed with prejudice in its entirety;
- 4.) Respondent, Albert C. Pryka, is liable for and shall pay to Claimant, RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.), the sum of \$76,284.68 in damages, plus interest of \$5,742.26 pursuant to the terms of the Notes;
- 5.) Respondent, Albert C. Pryka, is liable for and shall pay to Claimant, RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.), the sum of \$123,718.03 in attorneys' fees and costs pursuant to the terms of the Notes;
- 6.) Counter-Respondent/Claimant, RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.), is liable for and shall pay to Counter-Claimant/Respondent Albert Pryka the sum of \$38,146.00 in compensatory damages;
- 7.) The total amount award to RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.), from Albert Pryka noted in Paragraphs Four and Five above is offset by the amount noted in Paragraph Six above, resulting in the net amount of \$167,598.97 due by Pryka;
- 8.) Any relief not specifically enumerated, including punitive and/or exemplary damages, is hereby denied with prejudice.

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 (02-05329)	= \$1,000.00
Initial claim filing fee (02-05330)	= \$1,000.00
Counter-claim filing fee (02-05329 / Nowacki)	= \$ 300.00
Counter-claim filing fee (02-05330 / Pryka)	= \$ 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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.).

Member surcharge (02-05329)	= \$ 1,700.00
Pre-hearing process fee (02-05329)	= \$ 750.00
Hearing process fee (02-05329/02-05330 consol.)	= \$ 5,000.00
Member surcharge (02-05329)	= \$ 1,700.00
Pre-hearing process fee (02-05330)	= \$ 750.00

Adjournment Fees

Adjournment requested during these proceedings:

December 16-18, 2003, adjournment requested jointly	= \$ 1,200.00
---	---------------

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(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: February 19, 2004 1 session	

One (1) Pre-hearing session with Panel x \$1,125.00	= \$ 1,125.00
Pre-hearing conference: April 4, 2003 1 session	

Sixteen (16) Hearing sessions x \$1,200.00	= \$19,200.00
--	---------------

Hearing Dates:	May 25, 2004	2 sessions
	May 26, 2004	2 sessions
	May 27, 2004	2 sessions
	July 22, 2004	3 sessions
	July 23, 2004	3 sessions
	July 24, 2004	2 sessions
	July 25, 2004	2 sessions

Total Forum Fees	= \$20,775.00
------------------	---------------

The Arbitration Panel has assessed \$10,387.50 of the forum fees to RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.).

The Arbitration Panel has assessed \$10,387.50 of the forum fees jointly and severally to Deborah M. Nowacki and Albert C. Pryka.

FEE SUMMARY

Claimant, RBC Dain Rauscher, Inc. (Successor by Merger to Tucker Anthony, Inc.), is liable for:

Initial Filing Fees	= \$ 2,000.00
Member Fees	= \$ 9,900.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$10,387.50
Total Fees	= \$22,887.50
Less payments	= \$17,400.00
Balance Due NASD Dispute Resolution	= \$ 5,487.50

Respondent, Deborah M. Nowacki, is liable for:

Counterclaim Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent, Albert C. Pryka, is liable for:

Counterclaim Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$ 300.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents, Deborah M. Nowacki and Albert C. Pryka, are jointly and severally liable for:

Adjournment Fee	= \$ 600.00
Forum Fees	= \$10,387.50
Total Fees	= \$10,987.50
Less payments	= \$ 2,531.25
Balance Due NASD Dispute Resolution	= \$ 8,456.25

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

ARBITRATION PANEL

Timothy D. Wasson - Non-Public Arbitrator, Presiding Chair
James Richter - Non-Public Arbitrator
Chris D. Kontos - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Timothy D. Wasson
Timothy D. Wasson
Non-Public Arbitrator, Presiding Chair

08/11/04
Signature Date

/s/ Jim Richter
James Richter
Non-Public Arbitrator

08/11/04
Signature Date

/s/ Chris D. Kontos
Chris D. Kontos
Non-Public Arbitrator

08/11/04
Signature Date

08/12/04
Date of Service (For NASD office use only)

ARBITRATION PANEL

Timothy D. Wasson - Non-Public Arbitrator, Presiding Chair
James Richter - Non-Public Arbitrator
Chris D. Kontos - Non-Public Arbitrator

Concurring Arbitrators:

Timothy D. Wasson
Non-Public Arbitrator, Presiding Chair

Signature Date



James Richter
Non-Public Arbitrator



Signature Date

Chris D. Kontos
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

NASD Dispute Resolution
 Arbitration No. C2-65326 Israel w/ C2-5330
 Award Page 1 of 1

ARBITRATION PANEL

Timothy D. Wassen - Non-Public Arbitrator, Presiding Chair

James Richter - Non-Public Arbitrator

Chris D. Kontos - Non-Public Arbitrator

Concurring Arbitrators:

Timothy D. Wassen

Non-Public Arbitrator, Presiding Chair

James Richter

Non-Public Arbitrator

Chris D. Kontos

Non-Public Arbitrator

Date of Service (For NASD office use only)

August 11, 2004
 Signature Date

Signature Date

Signature Date

ARBITRATION PANEL

Timothy D. Wasson - Non-Public Arbitrator, Presiding Chair
James Richter - Non-Public Arbitrator
Chris D. Kontos - Non-Public Arbitrator

Concurring Arbitrators:

Timothy D. Wasson
Non-Public Arbitrator, Presiding Chair

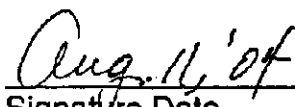
Signature Date

James Richter
Non-Public Arbitrator

Signature Date



Chris D. Kontos
Non-Public Arbitrator



Signature Date

Date of Service (For NASD office use only)