
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Khadija Derrhi

Case Number: 02-06030

Names of the Respondents
Ken Kielbania
Ryan, Beck & Co.

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For Khadija Derrhi ("Derrhi"), hereinafter referred to as "Claimant": William S. Isenberg, Esq., Isenberg & Associates, Fort Lauderdale, Florida.

For Ken Kielbania ("Kielbania") and Ryan, Beck & Co. ("Ryan"), hereinafter collectively referred to as "Respondents": Jeffrey P. Newman, Esq., Davidson & Grannum, L.L.P., Northvale, New Jersey.

CASE INFORMATION

Statement of Claim filed on or about: October 2, 2002.

Claimant signed the Uniform Submission Agreement: November 6, 2002.

Statement of Answer filed by Respondents on or about: January 10, 2003.

Respondent Kielbania signed the Uniform Submission Agreement: February 12, 2003.

Respondent Ryan signed the Uniform Submission Agreement: February 25, 2003.

CASE SUMMARY

Claimant asserted the following causes of action against Respondents: misrepresentation; unsuitable investments and trading; breach of fiduciary duty; and fraud. Claimant further asserted that Respondent Ryan failed to exercise proper supervision over Respondent Kielbania. The causes of action relate to the purchase in Claimant's account of the following mutual funds: Federated American Leaders Fund Class B; Alliance Premier Growth Fund Class B; and Federated Growth Strategies Fund Class B. The causes of action also relate to the liquidation of Claimant's account in order to cover Claimant's negative margin balance.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested an award of damages of approximately \$6,500 plus interest (including margin interest),

attorney's fees, costs, and punitive damages.

Respondents requested dismissal of the Statement of Claim in its entirety, with forum fees assessed against Claimant. Respondents further requested that all references to this claim be expunged from Respondent Kielbania's NASD Central Registration Depository ("CRD") records.

OTHER ISSUES CONSIDERED AND DECIDED

On or about December 12, 2003, the parties entered into an agreement to present to the undersigned arbitrator (the "Arbitrator") a Stipulated Award, and filed with NASD Dispute Resolution a notice of settlement.

On or about January 22, 2004, the parties filed with NASD Dispute Resolution, for review and approval by the Arbitrator, a proposed Stipulated Award containing a motion by the parties for entry of the proposed Stipulated Award.

AWARD

After considering the pleadings and the proposed Stipulated Award submitted by the parties, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties have entered into a confidential settlement agreement.
2. The Claimant's withdrawal of her claim is accepted and Respondents are dismissed from this matter with prejudice.
3. The Claimant agrees that this matter should be expunged from the records maintained by the NASD CRD for Respondent Kielbania.
4. The Arbitrator recommends that all references to the above-captioned arbitration be expunged from Respondent Kielbania's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Keilbania must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
5. All other requests for relief are hereby denied.

FEES

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

= \$75.00

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. Accordingly, Ryan is a member firm and a party.

<u>Member surcharge</u>	= \$325.00
<u>Total Member Fees</u>	= \$325.00

Adjournment Fees

No adjournments were requested in this matter.

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.

Injunctive relief fees were not assessed in this matter.

Forum Fees and Assessments

The Arbitrator has assessed forum fees for each session conducted. 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:

One (1) Pre-hearing session @ \$250.00/session	= \$250.00
Pre-hearing conference: May 13, 2003 1 session	
<u>Total Forum Fees</u>	= \$250.00

Pursuant to the agreement of the parties, the Arbitrator has assessed forum fees of \$125.00 to Claimant, and \$125.00 jointly and severally to Respondents.

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 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 incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 75.00
Forum Fees	= \$ 125.00
<u>Retained Hearing Session Deposit pursuant to Rule 10332(f) of the Code</u>	= \$ 125.00
<u>Total Fees</u>	= \$ 325.00
<u>Less Payments</u>	= \$ 325.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondent Ryan is solely liable for:

Member Fees	= \$ 325.00
Total Fees	= \$ 325.00
Less Payments	= \$ 325.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondents are jointly and severally liable for:

Forum Fees	= \$ 125.00
Total Fees	= \$ 125.00
Less Payments	= \$ 125.00
Balance Due NASD Dispute Resolution	= \$ 0.00

ARBITRATOR

Jerome A. Pivnik, Esq.

Public Arbitrator

Arbitrator's Signature

 /s/
Jerome A. Pivnik, Esq.
Public Arbitrator

January 28, 2004
Signature Date

January 29, 2004
Date of Service (For NASD Dispute Resolution office use only)

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Respondent Ryan is solely liable for:

<u>Member Fees</u>	= \$ 325.00
<u>Total Fees</u>	= \$ 325.00
<u>Less Payments</u>	= \$ 325.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$ 125.00
<u>Total Fees</u>	= \$ 125.00
<u>Less Payments</u>	= \$ 125.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

ARBITRATOR

Jerome A. Pivnik, Esq.

Public Arbitrator

Arbitrator's Signature

Jerome A. Pivnik, Esq.
Public Arbitrator

1/28/04
Signature Date

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