

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Ian Schaad (Claimant) v. Susquehanna Capital Group; Susquehanna Financial Group, LLLP; Susquehanna International Group, LLP f/k/a Susquehanna Partners, GP; and Susquehanna Ireland Limited (Respondents)

Case Number: 02-06171

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Members

REPRESENTATION OF PARTIES

Claimant Ian Schaad hereinafter referred to as "Claimant": Joseph E. Gasperetti, Esq., Joseph E. Gasperetti, P.C., New York, NY.

Respondents, Susquehanna Capital Group ("SCG"); Susquehanna Financial Group, LLLP ("SFG"); Susquehanna International Group, LLP f/k/a Susquehanna Partners, GP ("SIG"); and Susquehanna Ireland Limited ("SIL"): Dana B. Klinges, Esq., Wolf, Block, Schorr, and Solis-Cohen, LLP, Philadelphia, PA.

CASE INFORMATION

Statement of Claim filed on or about: October 15, 2002.

Claimant signed the Uniform Submission Agreement: October 11, 2002.

Statement of Answer filed by Respondent SCG on or about: December 10, 2002.

Statement of Answer filed by Respondent SFG on or about: December 10, 2002.

SCG signed the Uniform Submission Agreement: February 18, 2003.

SFG signed the Uniform Submission Agreement: February 18, 2003.

Respondent SIG did not file a Statement of Answer or sign a Uniform Submission Agreement.

Respondent SIL did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: failure to notify him of tax consequences in accordance with the "tax equalization policy" pursuant to the terms of his employment agreement.

Unless specifically admitted in its Answer, Respondent SCG denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in its Answer, Respondent SFG denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested an Award:

- A. Declaring that pursuant to the October 13, 1999 Agreement he is not indebted to Susquehanna as Susquehanna alleges since the alleged Tax Equalization Policy is null and void as to Claimant who never agreed to that policy;
- B. Declaring that the November 23, 1999 Agreement between the parties bars Respondents' present claim for payment; and
- C. For the costs and attorneys' fees Claimant has incurred and will incur in prosecuting these proceedings.

Respondent SCG requested that Claimant's Statement of Claim be dismissed with prejudice; and that SCG recover the costs and expenses, including reasonable attorneys' fees, incurred in the defense of Claimant's Statement of Claim.

Respondent SFG requested that Claimant's Statement of Claim be dismissed with prejudice; and that SFG recover the costs and expenses, including reasonable attorneys' fees, incurred in the defense of Claimant's Statement of Claim.

OTHER ISSUES CONSIDERED AND DECIDED

By letters dated October 13 and 14, 2003, NASD Dispute Resolution was notified that Respondents would not be appearing at the hearing scheduled for October 15, 2003.

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondents SCG and SFG have been properly served with the Statement of Claim and received due notice of the hearing and that arbitration of the matter would proceed without said Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents SIG and SIL are not members of NASD, and by letter dated December 10, 2002 refused to submit to NASD's jurisdiction.

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, and 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. The Panel has granted Claimant's request for declaratory relief as stated in the Statement of Claim, as follows:
 - A. that pursuant to the October 13, 1999 Agreement, Claimant is not indebted to Respondents as Respondents allege, since the alleged Tax Equalization Policy is null and void as to Claimant who never agreed to that policy; and
 - B. that the November 23, 1999 Agreement between the parties bars Respondents' present claim for payment.
2. Respondents SCG and SFG are liable and shall pay to Claimant \$48,172.09 as attorneys' fees pursuant to Rule 10215 of NASD Code of Arbitration Procedure.
3. Any and all relief not specifically addressed herein is 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	= \$250.00
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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 firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Susquehanna Financial Group, LLLP is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. Accordingly, Susquehanna Capital Group is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 @ \$1,000.00	= \$2,000.00
Pre-hearing conferences: June 18, 2003 1 session	
September 25, 2003 1 session	
One (1) Hearing session @ \$1,000.00	= \$1,000.00
Hearing Date: October 15, 2003 1 session	
Total Forum Fees	= \$3,000.00

1. The Panel has assessed forum fees in the sum of \$3,000.00, jointly and severally against Respondents SCG and SFG.

Fee Summary

1. Claimant is solely liable for:	
Initial Filing Fee	= \$ 250.00
Total Fees	= \$ 250.00
Less payments	= \$1,425.00
Refund Due to Claimant	= \$1,175.00
2. SCG is solely liable for:	
Member Fees	= \$4,450.00
Total Fees	= \$4,450.00
Less payments	= \$4,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00
3. SFG is solely liable for:	
Member Fees	= \$4,450.00
Total Fees	= \$4,450.00
Less payments	= \$4,450.00
Balance Due NASD Dispute Resolution	= \$ 0.00
4. SCG and SFG are jointly and severally liable for:	
Forum Fees	= \$3,000.00
Total Fees	= \$3,000.00
Less payments	= \$1,500.00
Balance Due NASD Dispute Resolution	= \$1,500.00


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

ARBITRATION PANEL

Eric J. Sussman, Esq.	-	Non-Public Arbitrator, Presiding Chair
David Denison	-	Non-Public Arbitrator
Philip Rachmelowitz, EA	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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.



Eric J. Sussman, Esq.
Non-Public Arbitrator, Presiding Chairperson

11/7/03

Signature Date

David Denison
Non-Public Arbitrator

Signature Date

Philip Rachmelowitz, EA
Non-Public Arbitrator

Signature Date

November 13, 2003

Date of Service (For NASD Dispute Resolution use only)

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David Denison - Non-Public Arbitrator
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Non-Public Arbitrator, Presiding Chairperson

Signature Date



David Denison
Non-Public Arbitrator

11/7/03

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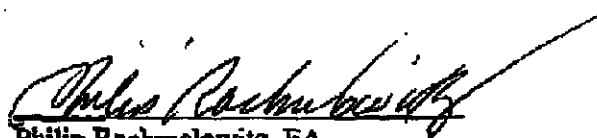
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Non-Public Arbitrator, Presiding Chairperson

Signature Date

David Denison
Non-Public Arbitrator

Signature Date


Philip Rachmelowitz, EA
Non-Public Arbitrator

11-7-03
Signature Date

November 13, 2003

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