

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Peter Romanelli v. Gruntal & Co., Ryan, Beck & Co., LLC., and Robert Lessen

Case Number: 02-06295

Hearing Site: New York, NY

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

REPRESENTATION OF PARTIES

Claimant Peter Romanelli ("Romanelli") referred to as "Claimant": James A. Prestiano, Law Offices of James A. Prestiano, Esq., New York, New York.

Respondent Ryan Beck & Co., LLC, ("Ryan Beck"): David L. Becker, Esq., Davidson, Manchel & Brennan, LLP, Northvale, New Jersey.

Respondent Robert Lessen ("Lessen") appeared *pro se*. For the period Lessen was employed by Ryan Beck, he was represented by David L. Becker, Esq., Davidson, Manchel & Brennan.

CASE INFORMATION

Statement of Claim filed on or about: October 17, 2002.

Claimant signed the Uniform Submission Agreement: October 15, 2002.

Joint Statement of Answer filed by Respondents Ryan, Beck and Lessen on or about: February 10, 2003.

Respondent Ryan Beck did not sign the Uniform Submission Agreement.

Statement of Answer filed by Respondent Lessen on or about: February 18, 2003.

Respondent Lessen did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: failure to disclose risks of trading in options; churning; failure to supervise; violations of Rules of Fair Practice of National Association of Securities Dealers, Inc., the anti-fraud provisions of the Securities Exchange Act of 1934 and the common law.

Claimant's claim involved unspecified securities.

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

Unless specifically admitted in his Answer, Respondent Lessen denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$200,000.00, plus punitive damages in the amount of \$200,000.00, plus interest, reasonable attorneys' fees, costs, disbursements, and such other relief as the arbitration Panel deems appropriate.

Respondents Ryan Beck and Lessen requested that Claimant's claims against them be dismissed in their entirety; Respondents' costs and fees for defending against this claim be assessed against Claimant, and any other relief deemed appropriate by the arbitration panel.

Respondent Lessen requested that the Statement of Claim be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Ryan Beck and Lessen did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared and testified at the hearing are bound by the determination of the Panel on all issues submitted.

By Order of the United States Bankruptcy Court, all claims against Gruntal & Co. were indefinitely stayed.

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, 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. Respondents Ryan Beck and Lessen are jointly and severally liable for and shall pay to Claimant the amount of \$84,000.00 plus interest at the rate of 5% per annum commencing thirty days after the date of this Award until the award is paid in full.
2. Any and all relief not specifically addressed herein, including punitive damages, 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	= \$300.00
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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 that employed the associated person at the time of the event giving rise to the dispute. Accordingly, Ryan Beck is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: September 16, 2003 1 session	

One (1) Pre-hearing session with Panel @ \$1,125	= \$ 1,125.00
Pre-hearing conference(s): June 23, 2003 1 session	

Nine (9) Hearing sessions @ \$1,125.00	= \$10,125.00
Hearing Dates:	
October 8, 2003	1 session
October 9, 2003	2 sessions
October 10, 2003	2 sessions
November 6, 2003	2 sessions
November 7, 2003	2 sessions

Total Forum Fees	= \$11,700.00
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1. The Panel has assessed \$3,900.00 of the forum fees against Claimant.
2. The Panel has assessed \$3,900.00 of the forum fees against Respondent Ryan Beck.
3. The Panel has assessed \$3,900.00 of the forum fees against Respondent Lessen.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$3,900.00
Total Fees	= \$4,200.00
<u>Less payments</u>	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$2,775.00

2. Respondent Ryan Beck is solely liable for:

Member Fees	= \$5,200.00
Forum Fees	= \$3,900.00
Total Fees	= \$9,100.00
<u>Less payments</u>	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$3,900.00

4. Respondents Lessen is solely liable for:

Forum Fees	= \$3,900.00
Balance Due NASD Dispute Resolution	= \$3,900.00

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

ARBITRATION PANEL

Wilbur Williams	-	Public Arbitrator, Presiding Chair
Saverio J. Cina	-	Public Arbitrator
Steven J. Petrie	-	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 in which is my award.

Wilbur K. Williams
Wilbur Williams
Public Arbitrator, Presiding Chairperson

11/28/03
Signature Date

Saverio J. Cina
Public Arbitrator

Signature Date

Steven J. Petrie
Non-Public Arbitrator

Signature Date

November 26, 2003
Date of Service (For NASD Dispute Resolution use only)

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ARBITRATION PANEL

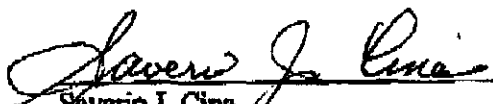
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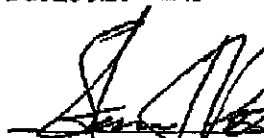
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Public Arbitrator, Presiding Chairperson

Signature Date

Saverio J. Cina
Public Arbitrator

Signature Date



Steven J. Petrie
Non-Public Arbitrator

11/23/03

Signature Date

November 26, 2003
Date of Service (For NASD Dispute Resolution use only)