

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Michael Maurizio and Salvatore Borruso, Sr. (Claimants) v. Richard Bach (Respondent)

Case Number: 03-01561

Hearing Site: Albany, New York

Nature of the Dispute: Customers vs. Associated Person.

REPRESENTATION OF PARTIES

Claimants Michael Maurizio ("Maurizio") and Salvatore Borruso, Sr. ("Borruso") hereinafter collectively referred to as "Claimants": Stuart E. Finer, Esq., Utica, NY.

Respondent Richard Bach ("Bach") hereinafter referred to as "Respondent": Simon S. Kogan, Esq., Kogan & Associates, LLC, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 3, 2003.

Response to Respondent's Answer and Motion to Dismiss filed on or about: June 12, 2003.

Claimants signed the Uniform Submission Agreement: April 3, 2003.

Statement of Answer and Motion to Dismiss filed by Respondent on or about: May 30, 2003.

Respondent did not sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: fraudulent inducement; misrepresentations; failure to follow instructions; conflict of interest; and failure to supervise. The causes of action relate to preferred stock and common stock.

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

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$50,000.00 for lost principal; compensatory damages for Claimant Maurizio in the amount of \$490,200.00; compensatory damages for Claimant Borruso in the amount of \$488,050.00; attorneys' fees; costs; and interest.

Respondent requested dismissal of the Statement of Claim; attorneys' fees; costs; and such other and further relief as the Panel may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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

During the hearing Respondent made a Motion to Preclude Claimants from calling Respondent Bach as a witness on the grounds that Respondent Bach was not on Claimants' witness list; after due deliberation, the Panel denied the Motion and allowed Claimants to call Respondent as a witness.

During the hearing Respondent made a Motion to Dismiss the claims of Maurizio on the basis that the "real party in interest" in this matter is a corporation, not the individual; after due deliberation, the Panel denied the Motion.

During the hearing Respondent made a Motion to Dismiss Respondent Bach as a party on the grounds that the real party (respondent) is Intrex, and on further grounds that the Claimants did not present a prima facie case; after due deliberation, the Panel denied the Motion.

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. Respondent is liable for and shall pay to Claimant Maurizio compensatory damages in the amount of \$9,875.00.
2. Respondent is liable for and shall pay to Claimant Borruso compensatory damages in the amount of \$9,875.00.
3. Respondent is liable for and shall pay to NASD Dispute Resolution administrative costs for the long distance calls made during the hearing in this matter in the amount of \$30.98.
4. 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 = \$500.00

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 @ \$1,200.00 = \$2,400.00

Pre-hearing conferences: October 8, 2003 1 session
 February 24, 2004 1 session

Four (4) Hearing sessions @ \$1,200.00 = \$4,800.00

Hearing Dates: January 11, 2005 2 sessions
 January 12, 2005 2 sessions

Total Forum Fees = \$7,200.00

1. The Panel has assessed \$7,200.00 of the forum fees against Respondent.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Total Fees	= \$ 500.00
Less payments	= \$1,700.00
Refund Due Claimants	= \$1,200.00

2. Respondent is solely liable for:

Administrative Costs	= \$ 30.98
Forum Fees	= \$7,200.00
Total Fees	= \$7,230.98
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$7,230.98

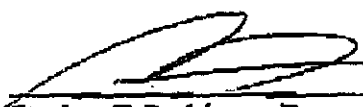
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Stephen T. Rodriguez, Esq.	-	Public Arbitrator, Presiding Chairperson
Lawrence S. Brick, Esq.	-	Public Arbitrator
John R. Phillippe	-	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.



Stephen T. Rodriguez, Esq.
Public Arbitrator, Presiding Chairperson

1.27.05

Signature Date

Lawrence S. Brick, Esq.
Public Arbitrator

Signature Date

John R. Phillippe
Non-Public Arbitrator

Signature Date

February 1, 2005

Date of Service (For NASD Dispute Resolution use only)

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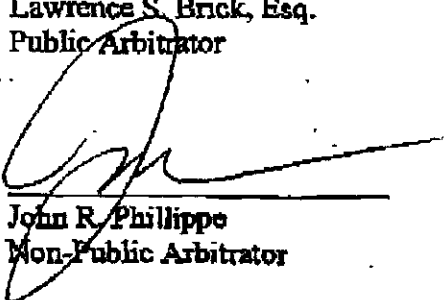
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Public Arbitrator, Presiding Chairperson

Signature Date

Lawrence S. Brick, Esq.
Public Arbitrator

Signature Date



John R. Phillippe
Non-Public Arbitrator

2-1-05

Signature Date

February 1, 2005

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