

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Patrick C. Mobouck (Claimant) v. Sands Brothers & Co., Ltd. and Richard Sands (Respondents)

Case Number: 03-02052

Hearing Site: New York, New York

Nature of the Dispute: Customer v. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimant Patrick C. Mobouck ("Mobouck") hereinafter referred to as "Claimant": Michael Kalmus, Esq., New York, NY.

Respondent Sands Brothers & Co., Ltd. ("Sands Brothers"): Richard A. Roth, Esq., The Roth Law Firm, New York, NY. Previously represented by: Marc S. Koplik, Esq., Marc S. Koplik & Associates, New York, NY.

Respondent Richard Sands ("R. Sands"): Richard A. Roth, Esq., The Roth Law Firm, New York, NY. Previously represented by: Matthew E. Hoffman, Esq., Todtman, Nachamie, Spizz & Johns, P.C., New York, NY.

Sands and R. Sands are hereinafter collectively referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: March 20, 2003.

Amended Statement of Claim filed on or about: July 30, 2003.

Claimant signed the Uniform Submission Agreement: March 30, 2003.

Statement of Answer and Motion to Dismiss filed by Respondent Sands Brothers on or about: June 20, 2003.

Statement of Answer to Claimant's Amended Statement of Claim filed on or about: October 2, 2003.

Respondent Sands signed the Uniform Submission Agreement: June 19, 2003.

Statement of Answer filed by Respondent R. Sands on or about: June 24, 2003.

Respondent Sands signed the Uniform Submission Agreement: June 24, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: churning; violation of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934; common law fraud; common law negligence; common law breach of fiduciary duty; violation of Conduct Rules of NASD; common law breach of contract; violation of Section 20(A) Securities Exchange Act; and respondeat superior. The causes of action relate to shares of various common stocks.

Unless specifically admitted in its Answer, Respondent Sands Brothers denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various affirmative defenses. Unless specifically admitted in its Answer to Claimant's Amendment to Statement of Claim, Respondent Sands Brothers denied the allegations made in the Amended Statement of Claim.

Unless specifically admitted in his Answer, Respondent R. Sands denied the allegations of wrongdoing set forth in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amounts of \$360,000.00, \$37,909.00, \$365,000.00; pre- and post-award interest; experts' fees, attorneys' fees, and forum fees; punitive damages and such other and further relief as may be deemed just, proper, and equitable under the facts and circumstances presented.

In the Amendment to the Statement of Claim, Claimant requested compensatory damages in the amount of \$1,333,181.00.

Respondent Sands Brothers requested that the Panel dismiss the Statement of Claim in its entirety, with prejudice; or, in the alternative, dismiss the Statement of Claim as to fraud, counts fifth, sixth, seventh, ninth, and thirteenth with respect to violations of conduct rules of the NASD, and violation of Belgian regulatory and criminal law; costs, including attorneys' fees; and such other and further relief as is just and equitable.

In its Answer to the Amendment to the Statement of Claim, Respondent Sands Brothers requested that the Panel dismiss all of Claimant's causes of action and request for relief in connection with Sands' alleged violation of Belgian law.

Respondent R. Sands requested that the Panel dismiss the Statement of Claim in its entirety with prejudice; costs, including attorneys' fees; and such other and further relief as is just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

On or about July 16, 2004, Claimant notified NASD Dispute Resolution that the parties settled this matter and requested a stipulated award.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. All claims against Respondents, and any other claims that have been or could be asserted by or on behalf of Claimant against Respondents, are hereby dismissed with prejudice.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Richard Sands' registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Sands must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
3. Any and all relief not specifically addressed herein, including punitive damages, is 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 | = \$500.00 |
|--------------------------|------------|

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 person at the time of the events giving rise to the dispute. In this matter, Sands Brothers & Co., Ltd. is a party.

| | |
|----------------------------|---------------------|
| Member Surcharge | = \$2,800.00 |
| Pre-Hearing Process Fee | = \$ 750.00 |
| <u>Hearing Process Fee</u> | <u>= \$5,000.00</u> |

Total Member Fees = \$8,550.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

Two (2) Pre-hearing conference sessions with the Panel @ \$1,200.00/session = \$2,400.00

Pre-hearing conferences: September 25, 2003 1 session

March 9, 2004 1 session

Total Forum Fees = \$2,400.00

1. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Claimant has been assessed \$800.00 of the forum fees.
2. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent Sands Brothers has been assessed \$800.00 of the forum fees.
3. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure Respondent R. Sands has been assessed \$800.00 of the forum fees.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee = \$ 500.00

Forum Fees = \$ 800.00

Total Fees = \$1,300.00

Less payments = \$1,700.00

Refund Due Claimant = \$ 400.00

2. Respondent Sands Brothers is solely liable for:

Member Fees = \$8,550.00

Forum Fees = \$ 800.00

Total Fees = \$9,350.00

Less payments = \$8,550.00

Balance Due NASD Dispute Resolution = \$ 800.00

3. Respondent R. Sands is solely liable for:

Forum Fees = \$ 800.00

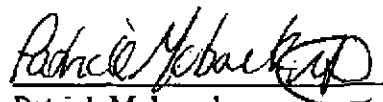
Total Fees = \$ 800.00

Less payments = \$ 0.00

Balance Due NASD Dispute Resolution = \$ 800.00

All balances are due and payable to NASD Dispute Resolution

Parties' Signatures



Patrick Mobouck
Claimant

Signature Date

Sands Brothers & Co., Ltd.
Respondent

Signature Date

Richard Sands
Respondent

Signature Date

Parties' Signatures

Patrick Mobouck
Claimant

Signature Date

Sands Brothers & Co., Ltd. / DK
Sands Brothers & Co., Ltd.
Respondent

7/7/05
Signature Date

Richard Sands / DK
Richard Sands
Respondent

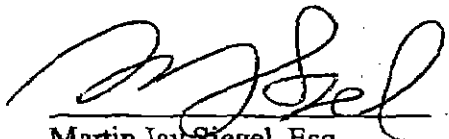
7/7/05
Signature Date

ARBITRATION PANEL

| | | |
|-------------------------|---|------------------------------------|
| Martin Jay Siegel, Esq. | - | Public Arbitrator, Presiding Chair |
| Ted M. Rosen, Esq. | - | Public Arbitrator |
| Philip M. Mandel, Esq. | - | Non-Public Arbitrator |

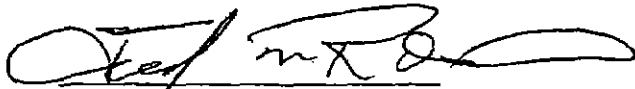
Concurring Arbitrators' Signatures

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 is which is my award.



Martin Jay Siegel, Esq.
Public Arbitrator, Presiding Chair

2/13/06
Signature Date



Ted M. Rosen, Esq.
Public Arbitrator

8/2/05
Signature Date

Philip M. Mandel, Esq.
Non-Public Arbitrator

Signature Date

February 16, 2006

Date of Service (For NASD office use only)