

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Ronald J. Keilly (Claimant) v. Sands Brothers & Co. Ltd., Steven B. Sands, and Martin S. Sands  
(Respondents)

Case Number: 03-03553

Hearing Site: New York, New York

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Nature of the Dispute: Customer vs. Member and Associated Persons.

**REPRESENTATION OF PARTIES**

Claimant Ronald J. Keilly ("Keilly") hereinafter referred to as "Claimant": Leslie Trager, Esq.,  
Morley & Trager, New York, NY.

Respondents Sands Brothers & Co. Ltd. ("Sands Brothers"), Steven B. Sands ("S. Sands"), and  
Martin S. Sands ("M. Sands") hereinafter collectively referred to as "Respondents": David A.  
Gehn, Esq., Gusrae, Kaplan & Bruno, PLLC, New York, NY. Previously represented by:  
Richard A. Roth, Esq., The Roth Law Firm, PLLC, New York, NY and Marc S. Koplik, Esq.,  
Marc S. Koplik & Associates, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: May 13, 2003.

Claimant signed the Uniform Submission Agreement: May 12, 2003.

Joint Statement of Answer filed by Respondents on or about: July 9, 2003.

Respondent Sands Brothers did not sign the Uniform Submission Agreement.

Respondent S. Sands did not sign the Uniform Submission Agreement.

Respondent M. Sands did not sign the Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: churning; unsuitability; and failure to  
supervise. The causes of action relate to unspecified securities.

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

### **RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$575,000.00; interest; costs; legal fees; punitive damages; and such other and further relief as the Arbitrators deem appropriate.

Respondents requested that the Panel dismiss the Statement of Claim with prejudice; costs; and such other and further relief as is just and equitable.

### **OTHER ISSUES CONSIDERED AND DECIDED**

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

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 Sands Brothers is liable for and shall pay to Claimant compensatory damages in the amount of \$380,000.00.
2. Claimant's claims against S. Sands and M. Sands are dismissed in their entirety.
3. 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 = \$375.00

### **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 persons at the time of the events giving rise to the dispute. Accordingly, Sands Brothers & Co. Ltd. is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

### **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:	January 26, 2004	1 session
	October 26, 2004	1 session

Thirteen (13) Hearing sessions @ \$1,200.00 = \$15,600.00

Hearing Dates:	August 19, 2004	2 sessions
	January 7, 2005	2 sessions
	January 10, 2005	2 sessions
	January 20, 2005	2 sessions
	January 21, 2005	2 sessions
	April 18, 2005	2 sessions
	April 19, 2005	1 session

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Total Forum Fees = \$18,000.00

1. The Panel has assessed \$9,000.00 of the forum fees to Claimant.
2. The Panel has assessed \$9,000.00 of the forum fees to Sands Brothers.

### **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.

1. Claimant requested duplication of hearing tapes = \$ 45.00
2. Respondent Sands Brothers requested duplication of hearing tapes = \$225.00

### **Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Forum Fees	= \$ 9,000.00
Administrative Costs	= \$ 45.00

Total Fees	= \$ 9,420.00
<u>Less payments</u>	<u>= \$ 1,620.00</u>
Balance Due NASD Dispute Resolution	= \$ 7,800.00

2. Respondent Sands Brothers is solely liable for:

Member Fees	= \$ 7,000.00
Administrative Costs	= \$ 225.00
<u>Forum Fees</u>	<u>= \$ 9,000.00</u>
Total Fees	= \$16,225.00
<u>Less payments</u>	<u>= \$ 5,250.00</u>
Balance Due NASD Dispute Resolution	= \$10,975.00

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

**ARBITRATION PANEL**

Mitchel Flaum	-	Public Arbitrator, Presiding Chairperson
Paul B. Glantz	-	Public Arbitrator
Noah D. Sorkin, 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 which is my award.

Mitchel Flaum  
Mitchel Flaum  
Public Arbitrator, Presiding Chairperson

4/28/05  
Signature Date

\_\_\_\_\_  
Paul B. Glantz  
Public Arbitrator

\_\_\_\_\_  
Signature Date

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Noah D. Sorkin, Esq.  
Non-Public Arbitrator

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Signature Date

April 28, 2005  
Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

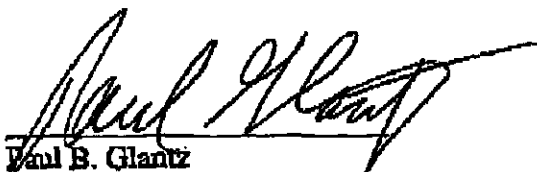
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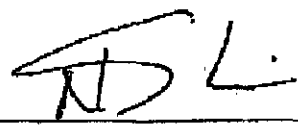
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