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

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*In the Matter of the Arbitration Between:*

Name of the Claimant  
Stanford Group Company

Case Number: 03-04250

Name of the Respondent  
Charles J. Hazlett

Hearing Site: Boca Raton, Florida

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Nature of the Dispute: Member vs. Associated Person.

**REPRESENTATION OF PARTIES**

For Stanford Group Company ("SGC"), hereinafter referred to as "Claimant": Ronald Shindler, Esq., Fowler White Burnett P. A., Miami, Florida.

For Charles J. Hazlett ("Hazlett"), hereinafter referred to as "Respondent": Richard M. Bales, Jr., Esq., Bales & Sommers, P. A., Miami, Florida.

**CASE INFORMATION**

Statement of Claim filed on or about: June 11, 2003.

Claimant signed the Uniform Submission Agreement: June 10, 2003.

Response and Counterclaim filed by Respondent on or about: August 8, 2003.

Respondent signed the Uniform Submission Agreement: August 8, 2003.

Statement of Answer to Counterclaim filed by Claimant on or about: September 2, 2003.

**CASE SUMMARY**

Claimant asserted a cause of action of breach of contract. The cause of action relates to Respondent's failure to repay a promissory note after his employment with Claimant ceased. In addition, Claimant denied the allegations contained in the counterclaim and asserted various defenses.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In addition, Respondent asserted the following causes of action in his counterclaim: fraudulent inducement; negligent misrepresentation; breach of contract; and, breach of the duty of good faith and fair dealings. The causes of action relate to Respondent's former employment with Claimant and subsequent discharge.

**RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$81,536.81; interest as allowed by law; reasonable and necessary attorneys' fees and costs, in amounts which Claimant reserves the right to amend at any time; and, any and all other relief available to Claimant, in law or equity, which may be granted by this Panel.

Respondent requested unspecified compensatory damages, unspecified damages to redress the fraudulent conduct of Claimant; that the Panel enter an award against Claimant; costs and attorneys' fees; interest; and, such other and further relief as the Panel deemed just and proper.

**OTHER ISSUES CONSIDERED AND DECIDED**

During the evidentiary hearing, the parties' informed the Panel, and the Panel agreed that in the event the Panel found Respondent liable, Respondent would pay Claimant accrued interest through August 26, 2004, in the amount of \$6,195.00, plus additional interest pursuant to Section 1274(d) of the Internal Revenue Code, from August 26, 2004 through February 4, 2005.

The parties agreed that the Award in this matter may be executed in counterpart copies.

**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:

Respondent is liable for breach of contract and shall pay to Claimant the sum of \$75,000.00, plus accrued interest through August 26, 2004, in the amount of \$6,195.00. Additionally, Respondent shall pay Claimant interest accruing from August 26, 2004 through February 4, 2005, pursuant to Section 1274(d) of the Internal Revenue Code.

Respondent's counterclaim is dismissed, with prejudice.

Pursuant to the terms of the promissory note, Respondent is liable and shall reimburse Claimant attorney's fees, in an amount to be determined by a court of competent jurisdiction.

Any and all relief not specifically addressed herein, are denied.

**FEES**

Pursuant to the NASD Code of Arbitration Procedure (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	= \$1,000.00
Counter claim filing fee	= \$ 250.00

**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. Accordingly, SGC is a member firm and a party.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,200.00</u>
Total Member Fees	= \$4,050.00

**Adjournment Fees**

Adjournments granted during these proceedings for which fees were assessed:

No adjournment fees were incurred in this matter.

**Three-Day Cancellation Fees**

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

No three-day cancellation fees were incurred in this matter.

**Injunctive Relief Fees**

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

No injunctive relief fees were incurred in this matter.

**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 the Panel @ \$1,000.00/session	= \$ 2,000.00
Pre-hearing conferences:	
February 19, 2004	1 session
August 30, 2004	1 session
Twelve (12) Hearing sessions @ \$1,000.00/session	= \$12,000.00
Hearing Dates:	
August 24, 2004	2 sessions
August 25, 2004	2 sessions
August 26, 2004	2 sessions
February 1, 2005	2 sessions
February 2, 2005	2 sessions
February 4, 2005	2 sessions
Total Forum Fees	= \$14,000.00

The Panel assessed forum fees of \$7,000.00 to Claimant.

The Panel assessed forum fees of \$7,000.00 to Respondent.

**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.

No administrative costs were incurred in this matter.

**Fee Summary**

Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 4,050.00
<u>Forum Fees</u>	= \$ 7,000.00
Total Fees	= \$12,050.00
<u>Less payments</u>	= \$ 5,800.00
Balance Due NASD Dispute Resolution	= \$ 6,250.00

Respondent is solely liable for:

Counterclaim Filing Fee	= \$ 250.00
<u>Forum Fees</u>	= \$ 7,000.00
Total Fees	= \$ 7,250.00
<u>Less payments</u>	= \$ 1,250.00
Balance Due NASD Dispute Resolution	= \$ 6,000.00

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

**ARBITRATION PANEL**

Allen J. Kaplan, Esq.	-	Public Arbitrator, Presiding Chairperson
Robert J. Saex	-	Public Arbitrator
Paul A. Holmes	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

/s/  
Allen J. Kaplan, Esq.  
Public Arbitrator, Presiding Chairperson

February 8, 2005  
Signature Date

/s/  
Robert J. Saex  
Public Arbitrator

February 8, 2005  
Signature Date

**NASD Dispute Resolution**  
**Arbitration No. 03-04250**  
**Award Page 5 of 5**

/s/  
**Paul A. Holmes**  
**Non-Public Arbitrator**

**February 8, 2005**  
**Signature Date**

**February 11, 2005**  
**Date of Service (For NASD Dispute Resolution office use only)**

NASD Dispute Resolution

Arbitration No. 03-04250

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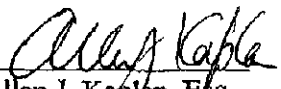
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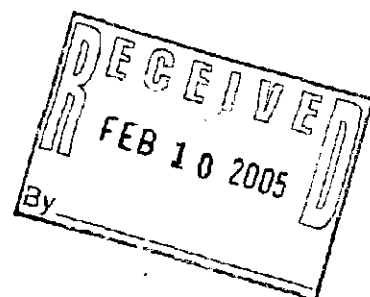
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Allen J. Kaplan, Esq.  
Public Arbitrator, Presiding Chairperson

2/8/05  
Signature Date

Robert J. Saex  
Public Arbitrator

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



NASD Dispute Resolution  
Arbitration No. 03-04250  
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ROBERT J. SAEX  
General Partner

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Allen J. Kaplan, Esq.  
Public Arbitrator, Presiding Chairperson

Signature Date

  
Robert J. Saex  
Public Arbitrator

  
8/8/05  
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