

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Paul Rendina and 3003 GP Inc. (Claimants) v. Ladenburg, Thalmann & Co., Inc.,
Barry Cohn, and Sue Herschbach (Respondents)

Case Number: 03-04753

Hearing Site: Cleveland, Ohio

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

REPRESENTATION OF PARTIES

Claimants Paul Rendina ("Rendina") and 3003 GP Inc., ("GP"), hereinafter collectively referred to as "Claimants" appeared *pro se*. Previously represented by Carter R. Dodge, The Carter R. Dodge Law Group, Cleveland, Ohio.

Respondents Ladenburg, Thalmann & Co., Inc., ("Ladenburg"), Barry Cohn ("Cohn"), and Sue Herschbach ("Herschbach"), hereinafter collectively referred to as "Respondents": Steven L. Wasserman, Esq., Chernett, Wasserman, Yarger, Pasternack, LLC., Cleveland, Ohio.

CASE INFORMATION

Statement of Claim filed on or about: June 24, 2003.

Rendina signed the Uniform Submission Agreement: June 24, 2003.

GP signed the Uniform Submission Agreement: June 24, 2003.

Joint Statement of Answer filed by Respondents on or about: September 22, 2003.

Ladenburg signed the Uniform Submission Agreement: September 18, 2003.

Cohn signed the Uniform Submission Agreement: August 26, 2003.

Herschbach signed the Uniform Submission Agreement: September 4, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: failure to execute, misrepresentations, breach of contract, and breach of fiduciary duty. Claimants' claims involved call option contracts for PGR stock.

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

RELIEF REQUESTED

Claimants requested compensatory damages in excess of \$130,000.00 plus interest and costs in accordance with the proof to be presented at the hearing.

Respondents requested that Claimants' Statement of Claim be dismissed in its entirety, for an award of the costs of this action, including reasonable attorneys' fees, and for such other relief as the Panel deems just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

On or about March 24, 2004, Respondents filed a Motion to Dismiss Claimant Paul Rendina as an Improper Party. Claimants did not file a response to Respondents' Motion. On or about April 22, 2004, the Panel, after due deliberation, determined to grant Respondents Motion and dismiss Paul Rendina as a Claimant in this matter.

By letter dated August 2, 2005, Respondents' counsel notified NASD Dispute Resolution that Paul Rendina, GP's representative, passed away.

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. Claimant GP's claims are dismissed, without prejudice to refile within one year of dismissal.
2. 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	= \$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 persons at the time of the event giving rise to the dispute. Accordingly, Ladenburg, Thalmann & Co., Inc. is a party.

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

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

September 20-22, 2004 adjournment by Claimant	= \$1,125.00
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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: July 27, 2004 1 session	
One (1) Pre-hearing session with Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: January 21, 2004 1 session	
<u>Total Forum Fees</u>	<u>= \$1,575.00</u>

The Panel has assessed \$1,575.00 of the forum fees against Claimant.

Fee Summary

1. Claimant GP is solely liable for:

Initial Filing Fee	= \$ 300.00
Adjournment Fee	= \$1,125.00
Forum Fees	= \$1,575.00
<u>Total Fees</u>	<u>= \$3,000.00</u>
<u>Less payments</u>	<u>= \$1,425.00</u>
Balance Due NASD Dispute Resolution	= \$1,575.00

2. Respondent Ladenburg is solely liable for:

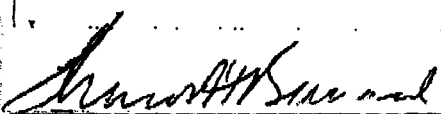
<u>Member Fees</u>	= \$ 5,200.00
<u>Total Fees</u>	= \$ 5,200.00
<u>Less payments</u>	= \$ 7,000.00
Refund Due Respondent Ladenburg	= \$ 1,800.00

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

ARBITRATION PANEL

Thomas H. Barnard, Jr., Esq.	-	Public Arbitrator, Presiding Chair
James Patrick Graven, J.D.	-	Public Arbitrator
James E. Zimmerman, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



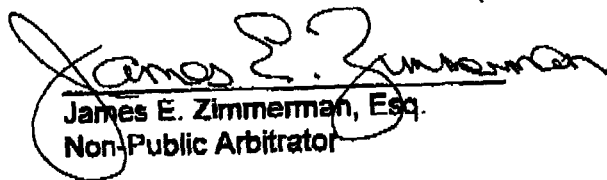
Thomas H. Barnard, Jr., Esq.
Public Arbitrator, Presiding Chairperson

8/31/06

Signature Date

James Patrick Graven, J.D.
Public Arbitrator

Signature Date



James E. Zimmerman, Esq.
Non-Public Arbitrator

8/23/06

Signature Date

September 1, 2006

Date of Service (For NASD Dispute Resolution use only)

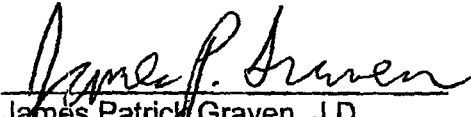
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