

**Stipulated Award  
NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Mohammed Al Nasser (Claimant) v. Sands Brothers & Co., Ltd., Sands Brothers Asset Management, Ltd., Sands Brothers Venture Capital III, LLC, Sands Brothers Asset Management, LLC, Martin Scott Sands, Steven Brett Sands, Christopher Lee, Robert Grillo, George Gleusner, Glen Mckelvy and Moshe Silver (Respondents)

Case Number: 03-04754

Hearing Site: New York, New York

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Nature of the Dispute: Customer v. Member, Non-members and Associated Persons.

**REPRESENTATION OF PARTIES**

Claimant Mohammed Al Nasser hereinafter referred to as "Claimant":  
Puoy K. Premsrirut, Esq., Goodman, Brown & Premsrirut, Las Vegas, NV.

Sands Brothers & Co., Ltd. ("Sands Brothers"): David Gehn, Esq., Gusrae, Kaplan, Bruno & Nusbaum, PLLC, New York, NY.

Sands Brothers Asset Management, Ltd. ("Sands Brothers AM") did not enter an appearance in this matter.

Sands Brothers Venture Capital III, LLC ("Sands Brothers VC") did not enter an appearance in this matter.

Sands Brothers Asset Management, LLC ("Sands Brothers AM LLC") did not enter an appearance in this matter.

Steven Brett Sands ("S. Sands") and Martin Scott Sands ("M. Sands"): Martin P. Russo, Esq., Kurzman Eisenberg Corbin Lever & Goodman, New York, NY.

Robert Grillo ("Grillo") and Christopher J. Lee ("Lee"): John E. Lawlor, Esq., John E. Lawlor, Esq., Attorney at Law, Mineola, NY.

George Gleusner ("Gleusner") did not enter an appearance in this matter.

Glen Mckelvy ("Mckelvy") did not enter an appearance in this matter.

Moshe Silver ("Silver") appeared *pro se*.

## **CASE INFORMATION**

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

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

Statement of Answer and Motion to Dismiss filed by Sands Brothers on or about: February 11, 2004

Sands Brothers & Co., Ltd., did not sign the Uniform Submission Agreement.

Sands Brothers AM did not file a Statement of Answer or sign the Uniform Submission Agreement.

Sands Brothers VC did not file a Statement of Answer or sign the Uniform Submission Agreement.

Sands Brothers AM LLC did not file a Statement of Answer or sign the Uniform Submission Agreement.

Joint Statement of Answer filed by S. Sands and M. Sands on or about: February 18, 2004.

S. Sands did not sign the Uniform Submission Agreement.

M. Sands did not sign the Uniform Submission Agreement.

Joint Statement of Answer filed by Grillo and Lee on or about: September 29, 2003.

Grillo signed the Uniform Submission Agreement: October 10, 2003.

Lee signed the Uniform Submission Agreement: October 10, 2003.

Gleusner did not file a Statement of Answer or sign the Uniform Submission Agreement.

Mckelvy did not file a Statement of Answer or sign the Uniform Submission Agreement.

Statement of Answer filed by Silver on or about April 4, 2006.

Respondent Silver did not sign the Uniform Submission Agreement.

## **CASE SUMMARY**

Claimants asserted the following causes of action: fraud, breach of contract, negligence, breach of fiduciary duties, fraud in the inducement, churning, suitability, unauthorized trading, misrepresentations, account related negligence, negligent supervision, omissions, and failure to supervise. Claimant's claim involved an investment in Sands Capital, shares of SCMR, ARBA, NT, NTAP, and GPS.

Unless specifically admitted in its Answer, Sands Brothers denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

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

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

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

### **RELIEF REQUESTED**

Claimant requested compensatory damages in an amount of \$700,000.00; the amount of commissions paid to Respondents, punitive damages in the amount of three (3) times the compensatory damages \$2,100,000.00, plus costs and attorneys fees, interest to accrue from the date of entry of the award, rescission of his membership interest in the Sands Brothers venture capital fund in the amount of \$500,000.00, and any further relief that is deemed just and proper.

Respondent Sands Brothers & Co., Ltd. requested dismissal of the Statement of Claim with prejudice; award Sands Brothers its costs, including attorneys' fees and such other and further relief as is just and equitable.

Respondents Grillo and Lee requested dismissal of the Statement of Claim in its entirety.

Respondent Silver requested dismissal of the Statement of Claim.

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

Respondents Sands Brothers VC, Sands Brothers AM LLC, and Sands Brothers AM are not members of NASD and did not voluntarily submit to NASD's jurisdiction. Accordingly, they were removed as parties from this matter.

Gleusner and Mckelvy did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but are required to submit to arbitration pursuant to the are bound by the determination of the Panel on all issues submitted.

During the hearing, Respondents Sands Brothers & Co., Ltd, Grillo, and Lee

fully and finally settled all claims by and between them and the Claimant and the arbitration is resolved in its entirety. Therefore, the Parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

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. The parties have amicably resolved their differences and have requested this Stipulated Award.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Robert Grillo's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Robert Grillo must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Christopher Lee's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Christopher Lee must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent George Gleusner's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent George Gleusner must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
5. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Moshe Silver's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Moshe Silver must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

## **FEES**

Pursuant to the Code, the following fees are assessed:

### **Filing Fees**

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 600.00
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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 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
Hearing Process Fee	= \$5,000.00

### **Adjournment Fees**

The following adjournment fees are assessed:

November 15-18, 2004 adjournment requested by Claimant	= \$1,200.00
April 17-19, 2006 adjournment requested by Claimant	= \$1,500.00

### **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:

April 18 and 19, 2006 adjournment by Claimant	= \$ 300.00
Claimant's share	= \$ 33.33
Sands Brothers's share	= \$ 33.33
S. Sands' share	= \$ 33.33
M. Sands' share	= \$ 33.33
Lee's share	= \$ 33.33
Silver's share	= \$ 33.33
Gleusner's share	= \$ 33.33
Grillo's share	= \$ 33.33
McKelvy's share	= \$ 33.33

### **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:

(3) Three pre-hearing conference session with the Panel @ \$1,200.00/session  
= \$3,600.00

Pre-hearing conferences: January 20, 2004 1 session  
November 10, 2004 1 session  
November 15, 2005 1 session

(2) Two hearing sessions @ \$1,200.00/session = \$2,400.00  
Hearings: April 17, 2006 2 sessions

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Total Forum Fees = \$7,200.00

Pursuant to the Initial Pre-Hearing Conference Scheduling Order:

1. The Panel assessed \$600.00 of the forum fees associated with the January 20, 2004 initial pre-hearing conference against Claimant.

2. The Panel assessed \$300.00 of the forum fees associated with the January 20, 2004 initial pre-hearing conference against Sands Brothers.

3. The Panel assessed \$300.00 of the forum fees associated with the January 20, 2004 initial pre-hearing conference jointly and severally against Grillo and Lee.

Pursuant to Rule 10306 of the NASD Code of Arbitration Procedure, the balance of forum fees were assessed equally among the remaining parties as follows:

1. Claimant is assessed \$666.67 of the forum fees.
2. Sands Brothers is assessed \$666.67 of the forum fees.
3. S. Sands is assessed \$666.67 of the forum fees.
4. M. Sands is assessed \$666.67 of the forum fees.
5. Lee is assessed \$666.67 of the forum fees.
6. Silver is assessed \$666.67 of the forum fees.
7. Gleusner is assessed \$666.67 of the forum fees.
8. Grillo is assessed \$666.67 of the forum fees.
9. McKelvy is assessed \$666.67 of the forum fees.

#### **Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$2,700.00
Three-Day Cancellation Fee	= \$ 33.33
Forum Fees	= \$1,266.67
Total Fees	= \$4,600.00
Less Payments	= \$1,800.00
Balance Due NASD Dispute Resolution	= \$2,800.00

2. Respondent Sands Brothers is solely liable for:

Member Fees	= \$8,550.00
Three-Day Cancellation Fee	= \$ 33.33
Forum Fees	= \$ 966.67
Total Fees	= \$9,550.00
Less payments	= \$8,550.00
Balance Due NASD Dispute Resolution	= \$1,000.00

3. Respondent Grillo and Lee are jointly and severally liable for:

Forum Fees	= \$ 300.00
Three-Day Cancellation Fee	= \$ 0.00
Total Fees	= \$ 300.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 300.00

4. Respondent S. Sands is solely liable for:

Three-Day Cancellation Fee	= \$ 33.33
Forum Fees	= \$ 666.67
Total Fees	= \$ 700.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 700.00

5. Respondent M. Sands is solely liable for:

Three-Day Cancellation Fee	= \$ 33.33
Forum Fees	= \$ 666.67
Total Fees	= \$ 700.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 700.00

6. Respondent Lee is solely liable for:

Three-Day Cancellation Fee	= \$ 33.33
Forum Fees	= \$ 666.67
Total Fees	= \$ 700.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 700.00

7. Respondent Silver is solely liable for:

Forum Fees	= \$ 666.67
Total Fees	= \$ 666.67
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 666.67

8. Respondent Gleusner is solely liable for:

Three-Day Cancellation Fee	= \$ 33.33
Forum Fees	= \$ 666.67

Total Fees	= \$ 700.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 700.00

9. Respondent Grillo is solely liable for:

Three-Day Cancellation Fee	= \$ 33.33
<u>Forum Fees</u>	<u>= \$ 666.67</u>
Total Fees	= \$ 700.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 700.00

10. Respondent McKelvy is solely liable for:

Three-Day Cancellation Fee	= \$ 33.33
<u>Forum Fees</u>	<u>= \$ 666.67</u>
Total Fees	= \$ 700.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 700.00

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



**ARBITRATION PANEL**

Seymour Stanton, CPA	-	Public Arbitrator, Presiding Chairperson
Richard D. DeKoster	-	Public Arbitrator
William G. Haviland	-	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.



Seymour Stanton, CPA  
Public Arbitrator, Presiding Chair

September 15, 2006  
Signature Date

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Richard D. DeKoster  
Public Arbitrator

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Signature Date

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William G. Haviland  
Industry Arbitrator

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Signature Date

September 26, 2006

Date of Service (For NASD office use only)

**ARBITRATION PANEL**

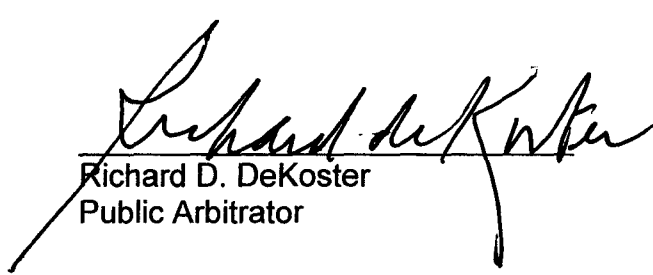
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Richard D. DeKoster	-	Public Arbitrator
William G. Haviland	-	Non-Public Arbitrator

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\_\_\_\_\_  
Seymour Stanton, CPA  
Public Arbitrator, Presiding Chair

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Signature Date

  
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Richard D. DeKoster  
Public Arbitrator

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

\_\_\_\_\_  
William G. Haviland  
Industry Arbitrator

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

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September 26, 2006  
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**ARBITRATION PANEL**

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Richard D. DeKoster	-	Public Arbitrator
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Seymour Stanton, CPA  
Public Arbitrator, Presiding Chair

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

\_\_\_\_\_  
Richard D. DeKoster  
Public Arbitrator

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

William G. Haviland  
William G. Haviland  
Industry Arbitrator

Sept. 18, 2006  
Signature Date

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September 26, 2006  
Date of Service (For NASD office use only)