

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Monarch Financial Corporation of America (Claimant) v. Brian Schnabolk (Respondent)

Case Number: 04-01010

Hearing Site: New York, New York

Nature of the Dispute: Member Firm v. Associated Person

REPRESENTATION OF PARTIES

Claimant Monarch Financial Corporation of America hereinafter referred to as "Claimant":
Charles M. O'Rourke, Esq., Woodbury, NY.

Respondent Brian Schnabolk hereinafter referred to as "Respondent": David A. Gehn, Esq.,
Gusrae, Kaplan & Bruno, PLLC, New York, NY. Previously represented by Douglas R. Hirsch,
Esq., Sadis & Goldberg PLLC, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 13, 2004.
Response to Counterclaim filed on or about: April 16, 2004.
Amended Statement of Claim filed on or about: July 15, 2005.
Claimant signed the Uniform Submission Agreement: February 12, 2004.

Respondent's Answer and Counterclaims filed on or about: April 5, 2004.
Answer to the Amended Claim filed on or about: August 1, 2005.
Respondent signed the Uniform Submission Agreement: April 10, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract.

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

In his Counterclaim, Respondent asserted the following causes of action: misleading and damaging
statements on the Form U-5, and unjust and inequitable conduct.

In its Response to the Counterclaim, Claimant denied the allegations made in the Statement of Claim and asserted an affirmative defense.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$185,350.15 as and for recovery of Respondent's unpaid debt, and dismissal of the Counterclaim.

Respondent requested the dismissal of the Statement of Claim in its entirety, and an award of compensatory and punitive damages, as well as attorneys' fees and the costs of this arbitration.

OTHER ISSUES CONSIDERED AND DECIDED

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. Respondent is liable for and shall pay to Claimant compensatory damages in the amount of \$50,895.68.
2. Respondents' counterclaims are denied 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	= \$ 1,000.00
Counterclaim 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, Monarch Financial Corporation of America 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:

February 24 & 25, 2005 request for adjournment by the parties	= \$ 1,125.00
Claimant's share	= \$ 562.50
Respondent's share	= \$ 562.50

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 @ \$1,125.00	= \$ 2,250.00
Pre-hearing conferences:	
July 22, 2004	1 session
July 8, 2005	1 session

Five (5) Hearing sessions @ \$1,125.00	= \$ 5,625.00
Hearing Dates:	
September 26, 2005	2 sessions
September 27, 2005	2 sessions
February 28, 2006	1 session

Total Forum Fees	= \$ 7,875.00
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1. The Panel has assessed \$7,875.00 of the forum fees to Claimant.

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. Respondent requested copies of hearing tapes = \$ 90.00

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 5,200.00
Adjournment Fee	= \$ 562.50
<u>Forum Fees</u>	<u>= \$ 7,875.00</u>
Total Fees	= \$14,637.50
Less payments	= \$ 7,325.00
Balance Due NASD Dispute Resolution	= \$ 7,312.50

2. Respondent is solely liable for:

Counterclaim Filing Fee	= \$ 250.00
Administrative Costs	= \$ 90.00
<u>Adjournment Fee</u>	<u>= \$ 562.50</u>
Total Fees	= \$ 902.50
<u>Less payments</u>	<u>= \$ 1,250.00</u>
Refund Due Respondent	= \$ 347.50

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

ARBITRATION PANEL

Andrew Berger, Esq.	-	Public Arbitrator, Presiding Chairperson
John P. Bannon	-	Public Arbitrator
Rick F. Suppa	-	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.



Andrew Berger, Esq.
Public Arbitrator, Presiding Chairperson

3/2/06

Signature Date

John P. Bannon
Public Arbitrator

Signature Date

Rick F. Suppa
Non-Public Arbitrator

Signature Date

March 7, 2006

Date of Service (For NASD Dispute Resolution use only)

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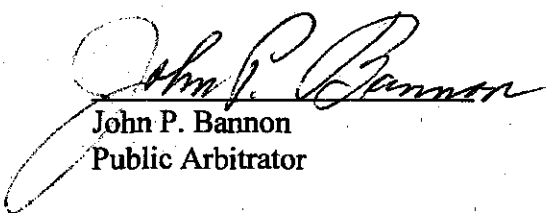
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