
**Stipulated Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
McDonald Investments Inc.

Case Number: 04-01751

Name of the Respondent
John C. Romanoff

Hearing Site: Tampa, FL

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

For McDonald Investments Inc., hereinafter referred to as "Claimant": Robert N. Rapp, Esq., Sharon A. Luarde, Esq. and Alexander E. Gertsburg, Esq., Calfee Halter & Griswold LLP, Cleveland, Ohio.

John C. Romanoff, hereinafter referred to as "Respondent," appeared *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: March 12, 2004.
Claimant signed the Uniform Submission Agreement: February 22, 2004.
Statement of Answer filed by Respondent on or about: June 2, 2004.
Respondent did not file an executed Uniform Submission Agreement.
Joint request for waiver of the three-day cancellation fee and retained hearing session deposit filed on or about: June 1, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: confession of award on cognovit promissory notes; breach of contract; unjust enrichment and; promissory estoppel arising out of an unpaid loan agreement and cognovit notes that Respondent executed when he began his employment with Claimant. The causes of action relate to the alleged payments due to Claimant by Respondent pursuant to the above-referenced loans.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses, including ratification, estoppel, comparative negligence, failure to mitigate, assumption of risk, failure to state a claim,

Claimant forced Respondent to resign and caused him damages in excess of the amount of the claim, statements made to Respondent's clients regarding placement and transition of accounts that caused damage to Respondent, setoff, arbitrariness, bad faith, and unclean hands.

RELIEF REQUESTED

Claimant requested compensatory damages of \$56,606.08, interest, attorneys' fees, other costs and other monetary/non-monetary relief.

Respondent requested that all claims asserted by Claimant be dismissed in their entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, is bound by the determination of the arbitration panel on all issues submitted.

On or about June 3, 2005, the arbitration panel issued an order which denied the parties' request for a waiver of the three-day cancellation fee and the retained hearing session deposit.

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

AWARD

After considering the pleadings, and the voluntary submissions and stipulations of the parties with respect to this Stipulated Award, the undersigned arbitrators (the "Panel") have determined that the terms herein shall serve as the full and final resolution of all issues submitted for determination as follows:

The parties have entered into a settlement agreement and stipulated to this Award. The settlement and this Stipulated Award provide for payment to Claimant under the following terms:

1. Respondent is liable to Claimant in the amount of \$56,606.08. However, pursuant to the terms of the parties' settlement agreement, Respondent shall tender to Claimant \$46,606.00, payable in the installments described below. At such time as Respondent fully complies with the terms of the below installment plan, Claimant will forgive, cancel and deem fully satisfied the remaining balance of \$10,000.08.

2. No later than May 7, 2005, Respondent shall tender to Claimant an initial payment of \$1,000.00. Beginning with a second payment on or before June 7, 2005, and no later than the seventh calendar day of each month thereafter, Respondent shall tender to Claimant forty-five (45) additional monthly payments of at least \$1,000.00 each, and a forty-sixth (46th) payment in the amount of \$606.00, until the full amount of \$46,606.00 is paid in full. Respondent specifically agrees that the entire amount of \$46,606.00 shall be paid in full no later than March 7, 2009. All payments shall be made to the order of McDonald Investments Inc., and shall be mailed in accordance with the above dates to:

Paul A. Weick, Esq.
KeyBank N.A.
McDonald Investment Center
800 Superior Avenue
Mailcode OH-01-02-2059
Cleveland, Ohio 44114

3. Should Respondent fail to tender to Claimant any monthly payment due and owing according to the schedule set forth in Paragraph 2 above, the entire balance of \$56,606.80, shall become immediately due and owing by Respondent to Claimant, less any amounts properly paid according to the schedule set forth in Paragraph 2. Respondent shall ensure that Claimant is at all times prior to his tender of final payment aware of his current home and business address, telephone number, and facsimile number. Respondent shall satisfy this requirement by sending any change of address, telephone number or facsimile number to the name and address set forth in Paragraph 2 above. Respondent further agrees that, should he default on any obligation as set forth in this Agreement, he consents to and shall be liable for an award and/or judgment for all amounts due and owing as a result of the default without further notice or hearing. Respondent further agrees that, in the event of his default, he will pay all attorney fees and costs of Claimant associated with the enforcement of this Agreement, as well as all of Claimant's attorney fees and costs incurred during the underlying Arbitration.

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	= \$1,000.00
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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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, McDonald Investments Inc. is a member firm and a party.

Member surcharge	= \$1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,700.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournment fees 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:

Claimant notified NASD Dispute Resolution that the matter had settled one day prior to the commencement of the evidentiary hearing. As such, the Panel assessed the three day cancellation fees \$150.00 to Claimant and \$150.00 to Respondent.

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.

There were no injunctive relief fees incurred in this matter.

Forum Fees and Assessments

The Arbitrator Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel @ \$750.00	= \$750.00
<u>Pre-hearing conference: July 19, 2004</u>	<u>1 session</u>
Total Forum Fees	= \$750.00

Pursuant to the agreement of the parties, the Panel has assessed \$375.00 of the forum fees to Claimant and \$375.00 of the forum fees 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 are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$3,550.00
Three-Day Cancellation Fee	= \$ 150.00
Retained Hearing Session Deposit	= \$ 187.50
Forum Fees	= \$ 375.00
<u>Total Fees</u>	<u>= \$5,262.50</u>
<u>Less payments</u>	<u>= \$5,262.50</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent is solely liable for:

Three-Day Cancellation Fee	= \$ 150.00
Retained Hearing Session Deposit	= \$ 187.50
Forum Fees	= \$ 375.00
<u>Total Fees</u>	<u>= \$ 712.50</u>
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 712.50

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

ARBITRATION PANEL

Alison Hardage	-	Non-Public Arbitrator, Presiding Chairperson
Stephen P. Savitt	-	Non-Public Arbitrator
Michael A. Lynch	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/S/_____
Alison Hardage
Non-Public Arbitrator, Presiding Chairperson

Signature Date

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/S/
Stephen P. Savitt
Non-Public Arbitrator

Signature Date

/S/
Michael A. Lynch
Non-Public Arbitrator

Signature Date

June 9, 2005
Date of Service (For NASD Dispute Resolution use only)

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Stephen P. Savitt	-	Non-Public Arbitrator
Michael A. Lynch	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Alison Hardage
Non-Public Arbitrator, Presiding Chairperson


June 7, 2005
Signature Date

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Stephen P. Savitt
Non-Public Arbitrator

6/7/05
Signature Date

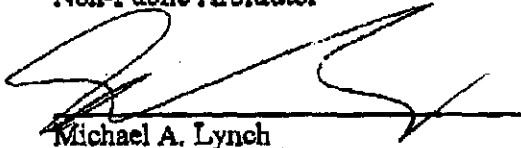
Michael A. Lynch
Non-Public Arbitrator

Signature Date

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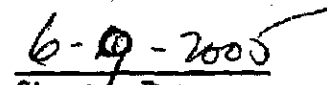
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Stephen P. Savitt
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Michael A. Lynch
Non-Public Arbitrator

Signature Date



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