
Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Advantage Trading Group, Inc.

Case Number: 04-01817

Names of the Respondents
New York Global Securities, Inc., f/k/a Priority Securities, Inc.
Mohandai Surajballi a/k/a Gloria Scheiman
Benjamin Wei

Hearing Site: Orlando, Florida

Name of Third Party Respondent
John Busacca

Nature of the Dispute: Member vs. Member and Associated Person vs. Associated Person.

REPRESENTATION OF PARTIES

For Advantage Trading Group, Inc., hereinafter referred to as "Claimant": Eric Lee, Esq., Lee & Amtziz, P.L., Boca Raton, Florida.

For New York Global Securities, Inc., f/k/a Priority Securities, Inc., ("NYG"), Mohandai Surajballi a/k/a Gloria Scheiman ("Scheiman"), and Benjamin Wei ("Wei"), hereinafter collectively referred to as "Respondents": Marc Ross, Esq. and Richard J. Babnick, Esq., Sichenzia Ross Friedman Ference, LLP, New York, New York.

For John Busacca, hereinafter referred to as "Third Party Respondent": Eric Lee, Esq., Lee & Amtziz, P.L., Boca Raton, Florida.

CASE INFORMATION

Statement of Claim filed on or about: March 16, 2004.

Claimant signed the Uniform Submission Agreement: March 16, 2004.

Statement of Answer filed by Respondents NYG and Scheiman, and Counterclaim and Third Party Claim against Claimant and Third Party Respondent filed by Respondent NYG on or about: April 2, 2004.

Respondent Wei did not file a Statement of Answer.

Respondents did not file executed Uniform Submission Agreements.

Motion to Dismiss filed by Respondent Scheiman on or about: April 2, 2004.

Motion for Enlargement of Time to Serve Answer and Present Defenses filed by Claimant on or about: April 22, 2004.

Answer and Affirmative Defenses to Counterclaim and Third Party Claim filed by Claimant and Third Party Respondent on or about: April 22, 2004.

Third Party Respondent did not file an executed Uniform Submission Agreement.

Opposition to Motion for Enlargement of Time to Serve Answer and Cross-Motion to Bar Claimant from

Presenting any Arguments or Defenses at the Hearing filed by Respondent NYG on or about: April 23, 2004.
Motion for Sanctions filed by Respondent NYG on or about: April 26, 2004.
Amended Statement of Claim filed by Claimant: on or about: April 28, 2004.
Response to Motion to Bar filed by Claimant on or about: April 28, 2004.

CASE SUMMARY

The facts of this case arise from an alleged breach of a clearing agreement (the "Agreement") between Claimant and Respondent NYG. Claimant's claims against Respondents included breach of contract and fraud in the inducement. Respondent NYG filed a Counterclaim against Claimant for preliminary and permanent injunctive relief regarding monies held on account by Claimant, as well as claims for conversion, civil theft, prima facie tort, breach of contract and breach of implied covenant of good faith and fair dealing. Respondent NYG also filed a Third-Party Complaint against Third Party Respondent for prima facie tort, civil theft and conversion.

RELIEF REQUESTED

Claimant requested compensatory damages from Respondents in the amount of between \$500,000.00 and \$1,000,000.00, punitive damages in an amount to be determined, interest, costs, attorneys' fees and other relief as deemed appropriate by the Panel.

Respondents requested dismissal of the Statement of Claim. Respondent NYG requested the following additional relief:

- 1) from Claimant and Third Party Respondent jointly and severally:
 - a) on the First Counterclaim and Third-Party Claim: approximately \$172,075.02, together with statutory interest thereon from the date of conversion;
 - b) on the Second Counterclaim and Third-Party Claim: threefold actual damages sustained in the amount of approximately \$516,225.00, together with attorneys' fees and costs of this proceeding;
 - c) on the Third Counterclaim and Third Party Claim: special damages in an amount to be determined at the hearing;
 - d) interest, costs and disbursements of this action;
 - e) punitive damages; and
 - f) such other, further and different relief as the Panel deemed just, equitable and proper.
- 2) from Claimant:
 - a) on the Fourth Counterclaim: not less than \$200,000.00, together with statutory interest thereon;
 - b) on the Fifth Counterclaim: in excess of \$172,075.00; and
 - c) on the Sixth Counterclaim: judgment in an amount to be determined at the hearing and issuance of a preliminary and permanent injunction directing Claimant to remit to Respondent NYG all monies held, coming due, or as required under the Agreement, and enjoining Claimant from assigning Respondent NYG's customer accounts to another brokerage firm and/or disclosing or divulging any information concerning Respondent NYG's customers.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents NYG and Scheiman and Third Party Respondent did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the injunctive hearing, are bound by the determination of the Panel on all issues submitted.

Respondent Wei did not file with NASD Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to his participation in the settlement of this arbitration claim.

Respondent Scheiman filed a Motion to Dismiss which asserted that the Statement of Claim failed to set forth any legally sufficient causes of action against her. No written response was filed.

On or about April 22, 2004, the Panel issued an Order which: (1) granted Respondent Scheiman's Motion to Dismiss; (2) granted Claimant leave to amend the Statement of Claim; and (3) granted Respondent NYG's request for a permanent injunction. Specifically, Claimant was permanently enjoined from assigning Respondent NYG's customer accounts to any other firm, person, or entity, and from disclosing or divulging any information concerning Respondent NYG's customers and their accounts to any person, firm, corporation, or other entity. Further, Claimant was enjoined and ordered to remit via wire transfer on or before 4:00 p.m., Friday, April 23, 2004, all monies in Respondent NYG's settlement account maintained by Claimant in the following specific sums: \$89,076.53, representing commissions withheld for February 2004; \$82,298.49, representing commissions withheld for March 2004; and \$289.00, representing commissions withheld for April 2004.

On or about April 23, 2004, the Circuit Court of the 18th Judicial Circuit in and for Seminole County, Florida ("Circuit Court") issued an Order Staying Mandatory Injunction pending a hearing before the Circuit Court on the merits.

On or about April 26, 2004, the Circuit Court set aside its Order Staying Mandatory Injunction.

On or about April 27, 2004, Claimant notified NASD Dispute Resolution that a wire transfer was made to Respondent NYG in accordance with the Panel's Order dated April 22, 2004.

On or about May 18, 2004, Respondents filed with NASD Dispute Resolution a notice of settlement.

On or about May 24, 2004, Claimant and Third Party Respondent filed with NASD Dispute Resolution a notice of settlement. Claimant and Third Party Respondent simultaneously filed on behalf of the parties, for review and approval by the Panel, a proposed Stipulated Award to Expunge Claim From Claimant's and Third Party Respondent's Central Registration Depository ("CRD") records, with a request that the Panel enter a Stipulated Award expunging this matter, and any complaints filed by Respondents against Claimant and Third Party Respondent, from Claimant's and Third Party Respondent's NASD CRD records.

The parties agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a

handwritten, signed Stipulated Award may be entered.

AWARD

After considering the pleadings and the Stipulation to Expunge Claim From Claimant's and Third Party Respondent's CRD Records and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The arbitration claims are dismissed, with prejudice, against and between all parties.

The Panel recommends that all references to the above-captioned arbitration and claims asserted therein be expunged from Claimant's and Third Party Respondent's registration records maintained by the NASD CRD, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Claimant and Third Party Respondent 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 will retain or collect the non-refundable filing fees for each claim:

| | |
|--------------------------|--------------|
| Initial claim filing fee | = \$1,250.00 |
| Counterclaim filing fee | = \$1,250.00 |

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, Claimant and Respondent NYG are member firms and parties.

| | |
|------------------------------------|--------------|
| Claimant's Member surcharge | = \$2,250.00 |
| Claimant's Pre-hearing process fee | = \$ 750.00 |
| Claimant's Hearing process fee | = \$4,000.00 |
| Claimant's Total Member Fees | = \$7,000.00 |

| | |
|--|--------------|
| Respondent NYG's Member surcharge | = \$2,250.00 |
| Respondent NYG's Pre-hearing process fee | = \$ 750.00 |
| Respondent NYG's Hearing process fee | = \$4,000.00 |
| Respondent NYG's Total Member Fees | = \$7,000.00 |

Adjournment Fees

No adjournments fees were assessed 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.

1. Claimant is assessed:
 Additional arbitrator honoraria = \$ 625.00
2. Respondent NYG is assessed:
 Injunctive relief surcharge = \$2,500.00

Forum Fees and Assessments

The 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:

| | |
|---|--------------------|
| Two (2) Hearing sessions @ \$1,200.00/session | = \$2,400.00 |
| Hearing Date: April 21, 2004 2 sessions | |
| <hr/> Total Forum Fees | <hr/> = \$2,400.00 |

Pursuant to the agreement of the parties, the Panel has assessed the forum fees as follows:

\$1,200.00 to Claimant; and
\$1,200.00 to Respondent NYG.

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.

There were no administrative costs incurred in this matter.

Fee Summary

| | |
|--------------------------------------|---------------|
| Claimant is solely liable for: | |
| Initial Filing Fee | = \$ 1,250.00 |
| Forum Fees | = \$ 1,200.00 |
| Injunctive Relief Fees | = \$ 625.00 |
| Member Fees | = \$ 7,000.00 |
| Total Fees | = \$10,075.00 |
| Less Payments | = \$ 2,450.00 |
| Balance Due NASD Dispute Resolution | = \$ 7,625.00 |
| Respondent NYG is solely liable for: | |
| Counterclaim Filing Fee | = \$ 1,250.00 |
| Forum Fees | = \$ 1,200.00 |

| | |
|-------------------------------------|---------------|
| Injunctive Relief Fees | = \$ 2,500.00 |
| Member Fees | = \$ 7,000.00 |
| Total Fees | = \$11,950.00 |
| Less Payments | = \$11,950.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

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

ARBITRATION PANEL

| | | |
|----------------------------|---|--|
| Charles Tindell, Esq. | - | Public Arbitrator, Presiding Chairperson |
| Diana Weiner, Esq. | - | Public Arbitrator |
| Chester Barry White, Ph.D. | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

_____/s/_____
Charles Tindell, Esq.
Public Arbitrator, Presiding Chairperson

June 3, 2004
Signature Date

_____/s/_____
Diana Weiner, Esq.
Public Arbitrator

June 3, 2004
Signature Date

_____/s/_____
Chester Barry White, Ph.D.
Non-Public Arbitrator

June 9, 2004
Signature Date

June 9, 2004
Date of Service (For NASD Dispute Resolution office use only)

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| | |
|-------------------------------------|---------------|
| Injunctive Relief Fees | = \$ 2,500.00 |
| Member Fees | = \$ 7,000.00 |
| Total Fees | = \$11,950.00 |
| Less Payments | = \$11,950.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

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| Diana Weiner, Esq. | - | Public Arbitrator |
| Chester Barry White, Ph.D. | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

Charles Tindell, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Diana Weiner, Esq.
Public Arbitrator

6-3-04
Signature Date

Chester Barry White, Ph.D.
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution office use only)

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 Arbitration No. 04-01817
Stipulated Award Page 6

| | |
|-------------------------------------|---------------|
| Injunctive Relief Fees | |
| Member Fees | = \$ 2,300.00 |
| Total Fees | = \$ 2,300.00 |
| Less Payments | = \$11,950.00 |
| Balance Due NASD Dispute Resolution | = \$11,950.00 |
| | = \$ 0.00 |

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

ARBITRATION PANEL

Charles Tindell, Esq.
 Diana Weiner, Esq.
 Chester Barry White, Ph.D.

Public Arbitrator, Presiding Chairperson
 Public Arbitrator
 Non-Public Arbitrator

Concurring Arbitrators' Signatures

Charles Tindell

Charles Tindell, Esq.
 Public Arbitrator, Presiding Chairperson

6-2-04
 Signature Date

Diana Weiner, Esq.
 Public Arbitrator

Signature Date

Chester Barry White, Ph.D.
 Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution
Arbitration No. 04-01817
Stipulated Award Page 6

| | |
|-------------------------------------|---------------|
| Injunctive Relief Fees | = \$ 2,500.00 |
| <u>Member Fees</u> | = \$ 7,000.00 |
| Total Fees | = \$11,950.00 |
| <u>Less Payments</u> | = \$11,950.00 |
| Balance Due NASD Dispute Resolution | = \$ 0.00 |

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| Diana Weiner, Esq. | - | Public Arbitrator |
| Chester Barry White, Ph.D. | - | Non-Public Arbitrator |

Concurring Arbitrators' Signatures

Charles Tindell, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

Diana Weiner, Esq.
Public Arbitrator

Signature Date

Chester Barry White

Chester Barry White, Ph.D.
Non-Public Arbitrator

6/9/04

Signature Date

Date of Service (For NASD Dispute Resolution office use only)