

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Ryan Beck & Co., Inc. (Claimant) v. Steven Souhrada (Respondent)

Case Number: 04-03320

Hearing Site: Newark, New Jersey

Nature of the Dispute: Member v. Associated Person

REPRESENTATION OF PARTIES

Claimant Ryan Beck & Co., Inc., hereinafter referred to as "Claimant": David W. Schmidt, Esq., Lubiner & Schmidt, Cranford, NJ.

Respondent Steven Souhrada hereinafter referred to as "Respondent": Debra J. Guzov, Esq., Guzov Ofsink, LLC, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: May 6, 2004.

Reply to the Counterclaim filed on or about: December 15, 2004.

Claimant signed the Uniform Submission Agreement: May 4, 2004.

Answer to the Statement of Claim and Counterclaim filed by Respondent on or about: November 5, 2004.

Respondent signed the Uniform Submission Agreement: November 15, 2004.

CASE SUMMARY

Claimant asserted the following cause of action: breach of promissory note.

Unless specifically admitted in its Answer to the Counterclaim, Respondent denied the allegations and asserted various affirmative defenses.

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: breach of employment contract; breach of fiduciary duty; misrepresentations; and forced constructive discharge.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$100,000.00, plus all costs of

collection including, but not limited to, all filing fees costs of arbitration proceedings, reasonable attorneys' fees, and such other relief as the arbitrators feel is just and proper.

Respondent requested that the Panel dismiss the Statement of Claim in its entirety; award compensatory damages in the amount of \$500,000.00; interest; punitive damages; costs and disbursements of this proceeding, including reasonable attorneys' fees; and such other and further relief as the arbitrators may deem just and proper.

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 to Claimant for compensatory damages in the amount of \$100,000.00.
2. Respondent is liable to Claimant for attorneys' fees in the amount of \$40,000.00 pursuant to the terms of the promissory note.
3. Claimant is liable to Respondent for compensatory damages in the amount of \$10,136.67.
4. The Panel has determined that Claimant's Award totaling \$140,000.00 shall be offset by the Respondent's Award of \$10,136.67 and Respondent shall pay to the Claimant \$129,863.33.
5. 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
Counterclaim filing fee	= \$ 300.00

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, Ryan Beck & Co., Inc. is a party.

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

Hearing process fee	= \$ 2,750.00
Total Member Fees	= \$ 4,600.00

Adjournment Fees

Adjournment granted during these proceedings for which fees were assessed:

June 22-24, 2005, adjournment by the Claimant = Waived

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 Panel @ \$1,125.00	= \$ 1,125.00
Pre-hearing conference: January 11, 2005 1 session	

Eight (8) Hearing sessions @ \$1,125.00 per session	= \$ 9,000.00
Hearing Dates: July 18, 2005 2 sessions	
September 19, 2005 2 sessions	
September 20, 2005 2 sessions	
September 21, 2005 2 sessions	

Total Forum Fees	= \$10,125.00
------------------	---------------

1. The Panel has assessed \$10,125.00 of the forum fees to the Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 4,600.00
Adjournment Fee	= 0.00
Total Fees	= \$ 5,600.00
Less payments	= \$ 7,100.00
Refund due the Claimant	= \$ 1,500.00

2. Respondent is solely liable for:

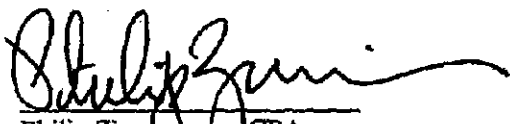
Counterclaim Filing Fee	= \$ 300.00
Forum Fees	= \$10,125.00
Total Fees	= \$10,425.00
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 9,000.00

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

ARBITRATION PANEL

Philip Zimmerman, CPA	-	Public Arbitrator, Presiding Chairperson
James R. MacCrate	-	Public Arbitrator
Ursula Clay, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures


Philip Zimmerman, CPA
Public Arbitrator, Presiding Chairperson

10/3/05
Signature Date

James R. MacCrate
Public Arbitrator

Signature Date

Ursula Clay, Esq.
Non-Public Arbitrator

Signature Date

October 6, 2005
Date of Service (For NASD Dispute Resolution use only)

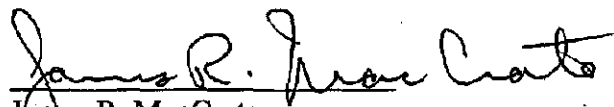
ARBITRATION PANEL

Philip Zimmerman, CPA	-	Public Arbitrator, Presiding Chairperson
James R. MacCrate	-	Public Arbitrator
Ursula Clay, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Philip Zimmerman, CPA
Public Arbitrator, Presiding Chairperson

Signature Date



James R. MacCrate
Public Arbitrator

10/6/2008

Signature Date

Ursula Clay, Esq.
Non-Public Arbitrator

Signature Date

October 6, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Philip Zimmerman, CPA	-	Public Arbitrator, Presiding Chairperson
James R. MacCrate	-	Public Arbitrator
Ursula Clay, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Philip Zimmerman, CPA
Public Arbitrator, Presiding Chairperson

Signature Date

James R. MacCrate
Public Arbitrator

Signature Date



Ursula Clay, Esq.
Non-Public Arbitrator

10/4/05

Signature Date

October 6, 2005

Date of Service (For NASD Dispute Resolution use only)