

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Roland Edward Engel vs. Robert Thomas Crothers, Gaines Berland, Inc. n/k/a
Ladenburg Capital Management, Inc., and Bear Stearns Securities Corporation.

Case Number: 04-07696

Hearing Site: Baltimore, Maryland

Nature of the Dispute: Customer vs. Members and Associated Person

REPRESENTATION OF PARTIES

Claimant, Roland Edward Engel, hereinafter referred to as "Claimant", was not represented by counsel and appeared *pro se*.

Respondent, Robert Thomas Crothers ("Crothers"), was represented by Brian J. Neville, Esq., Law Offices of Brian J. Neville, P.C., New York, New York.

Respondent, Gaines Berland, Inc. n/k/a Ladenburg Capital Management, Inc. ("Ladenburg Capital"), was represented by Joseph Giovanniello, Jr., Esq., Ladenburg Capital Management, Inc., New York, New York.

Respondent, Bear Stearns Securities Corporation ("Bear Stearns"), was represented by Jessica M. Phillips, Esq., Bear Stearns & Co., Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed November 1, 2004.
Claimant signed the Uniform Submission Agreement on November 19, 2004.
Claimant filed a Response to Respondent Crothers' Counterclaim on April 25, 2005.
Claimant filed a Rebuttal to Bear Stearns' Motion to Dismiss on May 29, 2005.

Statement of Answer and Counterclaim filed by Respondent Crothers on March 28, 2005.
Respondent Crothers signed the Uniform Submission Agreement on March 28, 2005.

Statement of Answer and Motion to Dismiss filed by Respondent Ladenburg Capital on March 28, 2005.
A representative of Respondent Ladenburg Capital executed the Uniform Submission Agreement on March 28, 2005.

Statement of Answer and Motion to Dismiss filed by Respondent Bear Stearns on March 28, 2005.
A representative of Respondent Bear Stearns executed the Uniform Submission Agreement on March 24, 2005.

Respondent Bear Stearns filed a Reply to Claimant's Rebuttal of Motion to Dismiss on June 29, 2005.

CASE SUMMARY

Claimant asserted the following causes of action, among others: breach of fiduciary duty, negligence, and suitability. The causes of action relate to the purchase and sale of various unspecified securities.

Unless specifically admitted in his Statement of Answer, Respondent Crothers denied the allegations made in the Statement of Claim and asserted the following affirmative defenses, among others: the Statement of Claim is barred by the doctrines of laches, waiver, ratification and estoppel; failure to mitigate damages; and there is no private right of action for alleged violations of the NASD Rules of Conduct.

Unless specifically admitted in its Statement of Answer and Motion to Dismiss, Respondent Ladenburg Capital denied the allegations made in the Statement of Claim and asserted the following affirmative defenses, among others: the Statement of Claim fails to state a claim upon which relief may be granted; the Statement of Claim is barred by the doctrines of laches, waiver, ratification and estoppel; failure to mitigate damages; and, Claimant's damages, if any, are the proximate result of factors beyond the control of Respondent Ladenburg Capital.

Unless specifically admitted in its Statement of Answer and Motion to Dismiss, Respondent Bear Stearns denied the allegations made in the Statement of Claim and asserted the following affirmative defenses, among others: the Statement of Claim fails to state a claim upon which relief may be granted; failure to mitigate damages; contributory negligence; and, assumption of risk.

RELIEF REQUESTED

Claimant in his Statement of Claim requested an unspecified amount of compensatory damages.

Respondent Crothers, in his Statement of Answer and Counterclaim, requested that the Statement of Claim be dismissed; that hearing costs be assessed against Claimant; and that Respondent Crothers be awarded costs, expenses and attorneys' fees.

Respondent Ladenburg Capital, in its Statement of Answer and Motion to Dismiss, requested that Claimant's claims be dismissed; that it be awarded costs, expenses and attorneys' fees; and that forum fees be assessed against Claimant

Respondent Bear Stearns, in its Statement of Answer and Motion to Dismiss, requested that it be dismissed from this arbitration, and that it be awarded its costs.

OTHER ISSUES CONSIDERED AND DECIDED

By Order dated October 3, 2005 the Arbitration Panel (the "Panel") granted Bear Stearns' Motion to Dismiss.

By Order dated November 3, 2005 the Panel denied Ladenburg Capital's Motion to Dismiss.

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. Respondents Crothers and Ladenburg Capital are liable to and shall pay to Claimant the sum of \$10,000.00 plus post-hearing interest. Simple interest at the rate of 6% *per annum* shall commence thirty days after service of the award and shall continue until the award is paid in full;
2. Respondent Crothers' counterclaim is denied in its entirety;
3. Any and all relief not specifically addressed herein is denied in its entirety; and
4. All parties shall bear their own costs, including attorneys' fees, except as Fees are addressed below.

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	= \$ 250.00
Counter claim 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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Ladenburg Capital and Bear Stearns are parties.
Ladenburg Capital Member Fees:

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00

Hearing process fee = \$2,200.00

Bear Stearns Member Fees:

Member surcharge = \$1,500.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$2,200.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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) Decision on discovery-related motions on the papers
with one arbitrator @ \$200.00 = \$ 200.00

Claimant submitted discovery-related motion

Four (4) Pre-hearing sessions with Panel @ \$1,000.00 = \$ 4,000.00

Pre-hearing conferences: August 12, 2005 1 session

October 3, 2005 1 session

October 24, 2005 1 session

November 3, 2005 1 session

Four (4) Hearing sessions @ \$1,000.00 = \$ 4,000.00

Hearing Dates: May 16, 2006 2 sessions

May 17, 2006 2 sessions

Total Forum Fees = \$8,200.00

The Panel has assessed \$8,200.00 of the forum fees jointly and severally to Respondents Crothers and Ladenburg Capital.

Fee Summary

1. Claimant, is solely liable for:

Initial Filing Fee = \$ 250.00

Total Fees = \$ 250.00

Less payments = \$ 1,250.00

Refund Due Claimant = \$ 1,000.00

2.

3. Respondent, Crothers is solely liable for:

Filing Fee = \$ 250.00

Total Fees = \$ 250.00

Less payments = \$ 1,250.00

Balance Due NASD Dispute Resolution = \$ 00.00

4. Respondent, Ladenburg Capital is liable for:

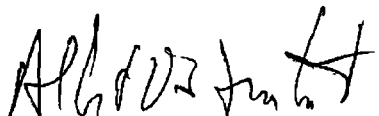
Member Fees	= \$ 4,450.00
Total Fees	= \$ 4,450.00
Less payments	= \$ 4,450.00
Balance Due NASD Dispute Resolution	= \$ 00.00

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

ARBITRATION PANEL

Albert D. Sturtevant, Esq.	-	Public Arbitrator, Presiding Chairperson
John Joseph Hentschel	-	Public Arbitrator
Karen V. Cunningham.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Albert D. Sturtevant, Esq.
Public Arbitrator, Presiding Chairperson

5/30/06
Signature Date

John Joseph Hentschel
Public Arbitrator, Panelist

Signature Date

Karen V. Cunningham
Non-Public Arbitrator, Panelist

Signature Date

6/1/06

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

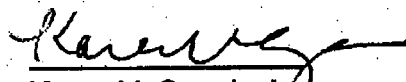
Concurring Arbitrators' Signatures

Albert D. Sturtevant, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date

John Joseph Hentschel
Public Arbitrator, Panelist

Signature Date



Karen V. Cunningham
Non-Public Arbitrator, Panelist

5 - 30 - 6

Signature Date

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