
Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Paul A. Keough

Case Number: 04-08410

Name of the Respondent
Sterling Financial Investment Group, Inc.

Hearing Site: Boca Raton, Florida

Nature of the Dispute: Associated Person vs. Member.

REPRESENTATION OF PARTIES

For Paul A. Keough ("Keough"), hereinafter referred to as "Claimant": James M. Scutti, Esq., Attorney at Law, Boca Raton, Florida.

For Sterling Financial Investment Group, Inc. ("Sterling"), hereinafter referred to as "Respondent": Andrew D. Wyman, Esq., Lavalley, Brown, Ronan & Mullins, Boca Raton, Florida until on or about February 14, 2006. Thereafter, Peter Ticktin, Esq., Ticktin & Rodriguez, Boca Raton, Florida appeared for Respondent.

CASE INFORMATION

Statement of Claim filed on or about: December 11, 2004.

Claimant signed the Uniform Submission Agreement: December 2, 2004.

Statement of Answer and Counterclaim filed by Respondent on or about: February 16, 2005.

Respondent did not file an executed Uniform Submission Agreement.

Statement of Answer and Affirmative Defenses to Counterclaim filed by Claimant on or about: February 23, 2005.

Amended Statement of Claim filed by Claimant on or about: February 25, 2005.

Amended Answer and Counterclaim filed by Respondent on or about: March 14, 2005.

Answer and Affirmative Defenses to Amended Counterclaim filed by Claimant on or about: March 23, 2005.

CASE SUMMARY

Claimant asserted a claim for breach of contract and for unpaid wages owed to Claimant by Respondent. The causes of action relate to Claimant's former employment with Respondent and the Employment Agreement executed by the parties.

Unless specifically admitted in its Answer, as amended, Respondent denied the allegations made in the Statement of Claim and asserted various defenses. Furthermore, in its Counterclaim, Respondent asserted that Claimant breached the Employment Agreement.

Unless specifically admitted in its Responses, Claimant denied the allegations made in Respondent's Counterclaim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages comprised of the following: \$117,943.00 in unpaid salary; \$100,00.00 in unpaid performance bonuses; \$120,000.00, representing the value of physicians' survey conducted by Claimant; \$264.00 in reimbursable business expenses; and, an additional unspecified amount of damages, representing medical insurance expenses as well as the value of Claimant's oncology research report retained by Respondent. Claimant further requested interest on damages; attorneys' fees pursuant to Section 440.88, Florida Statutes; all arbitration costs; and, any additional relief deemed just and proper by the Panel. In addition, as asserted in his Response to Respondent's counterclaim, Claimant requested dismissal of the Counterclaim, with an award of attorney's fees under Section 57.105(1), of the Florida Statutes, if Claimant prevails on Respondent's Counterclaim.

Respondent requested that the Panel dismiss all claims alleged by Claimant with an award of its costs incurred in defending this proceeding. In addition, Respondent requested an award of actual and consequential damages on its counterclaim including, without limitation, the following: travel expenses and other costs expended by Respondent in recruiting and training Claimant in the amount of \$6,480.33; recruiter's fee paid in connection with Claimant's placement with Respondent in the amount of \$40,000.00; employment wages and fringe benefits paid to Claimant by Respondent; lost earnings and profits due to Claimant's breach of contract; costs in defending this proceeding; and, such other and further relief as deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Sterling did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is 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 hearing, is bound by the determination of the Panel on all issues submitted.

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

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

With respect to Claimant's claims, Respondent is found liable on the claim for unpaid wages and shall pay to Claimant compensatory damages in the amount of \$29,473.00 plus interest at the legal rate in the state of Florida for 2004, 2005 and 2006 as follows: at the rate of .0001918 per day from November 4, 2004 through December 31, 2005; and, at the rate of .0002466 per day from January 1, 2006 until the Award is paid.

With respect to Respondent's counterclaim, all claims are denied.

Any and all claims for relief not specifically addressed herein, are 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	= \$ 300.00
Counterclaim filing fee	= \$1,000.00

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm, Sterling, is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$2,750.00</u>
Total Member Fees	= \$5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

No adjournments were requested 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:

No three-day cancellation fees were incurred 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.

No injunctive relief fees were incurred in this matter.

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 the Panel @ \$1,125.00/session	= \$1,125.00
Pre-hearing conference: May 3, 2005 1 session	

Four (4) Hearing sessions @ \$1,125.00/session	= \$4,500.00
Hearing Dates: March 23, 2006	2 sessions
March 24, 2006	2 sessions
Total Forum Fees	= \$5,625.00

The Panel has assessed \$2812.50 of the forum fees to Claimant.
The Panel has assessed \$2812.50 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.

No administrative costs were incurred in this matter.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 2,812.50
Total Fees	= \$ 3,112.50
Less payments	= \$ 1,425.00
Balance Due NASD Dispute Resolution	= \$ 1,687.50

Respondent is solely liable for:

Counterclaim Filing Fee	= \$1,000.00
Member Fees	= \$5,200.00
Forum Fees	= \$2,812.50
Total Fees	= \$9,012.50
Less payments	= \$6,800.00
Balance Due NASD Dispute Resolution	= \$2,212.00

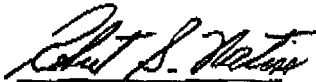
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Robert S. Natiss	-	Non-Public Arbitrator, Presiding Chairperson
Earl S. Schwarz	-	Non-Public Arbitrator
Donald R. McGahan	-	Non-Public Arbitrator

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Concurring Arbitrators' Signatures



Robert S. Natiss
Non-Public Arbitrator, Presiding Chairperson

4-17-06

Signature Date

Earl S. Schwarz
Non-Public Arbitrator

Signature Date

Donald R. McGahan
Non-Public Arbitrator

Signature Date

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

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Non-Public Arbitrator



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