

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Daniel Barnathan (Claimant) vs. Neal Bohlman and Saxony Securities, Inc.  
(Respondents)

Case Number: 05-01066

Hearing Site: New York, New York

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

**REPRESENTATION OF PARTIES**

Claimant Daniel Barnathan hereinafter referred to as "Claimant": Scott L. Warfman, Law Office of Scott Warfman, Miami, FL.

Respondent Neal Bohlman ("Bohlman") did not enter an appearance in this matter.

Respondent Saxony Securities, Inc. ("Saxony Securities") Brian J. Neville, Esq., Law Office of Brian J. Neville, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: March 1, 2005.

Claimant signed the Uniform Submission Agreement: December 14, 2004.

Answer to the Statement of Claim filed by Saxony Securities on or about: May 13, 2005.

Saxony Securities signed the Uniform Submission Agreement: May 20, 2005

Respondent Bohlman did not file an answer or a Uniform Submission Agreement.

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of contract; breach of fiduciary duty; violation of state and federal anti-fraud securities laws; failure to supervise; fraud and, negligence.

Unless specifically admitted in its Answer, Respondent Saxony Securities denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

**RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$500,000.00, \$500,000.00 in punitive damages, specific performance, interest, attorneys' fees and costs.

Respondent Saxony Securities requested that Claimant's claims be dismissed in their entirety.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondent Neal Bohlman has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Bohlman did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

The parties 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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Saxony Securities is liable for and shall pay to the Claimant \$51,813.00 in compensatory damages plus interest in the amount of \$14,543.00.
2. Respondent Saxony Securities and Bohlman are jointly and severally liable for and shall pay to the Claimant \$9,035.00 in interest.
3. Respondent Bohlman is liable for and shall pay to the Claimant \$293,013.00 in compensatory damages plus interest at the rate of \$25.55 per day from May 8, 2006 to the date of service of the award.
4. Any and all relief not specifically addressed herein, including punitive damages, 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	= \$	375.00
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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 that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Saxony Securities, Inc., is a party.

Member surcharge	= \$ 2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 4,000.00

### **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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Decision on discovery-related motions on the papers  
with (1) one arbitrator @ \$200.00 = \$ 200.00  
Claimant submitted (1) discovery-related motion

Two (2) Pre-hearing conference sessions with a single arbitrator @ \$450.00 per session  
= \$ 900.00

Pre-hearing conferences: August 11, 2005 1 session  
October 13, 2005 1 session

Two (2) Pre-hearing conference sessions with Panel @ \$1,200.00 per session  
= \$ 2,400.00

Pre-hearing conferences: July 25, 2005 1 session  
January 30, 2006 1 session

Fourteen (14) Hearing sessions with Panel @ \$1,200.00 per session = \$ 16,800.00

February 14, 2006 2 sessions  
February 15, 2006 2 sessions  
February 16, 2006 2 sessions  
April 25, 2006 3 sessions  
April 26, 2006 3 sessions  
May 8, 2006 2 sessions

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Total Forum Fees = \$20,300.00

1. The Panel has assessed \$10,150.00 of the forum fees to the Claimant.
2. The Panel has assessed \$10,150.00 of the forum fees to Saxony Securities.

### **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.

1. Claimant requested duplication of 12 tapes at \$15.00 per tape = \$ 180.00
2. Respondent Saxony Securities requested 14 tapes at \$15.00 per tape = \$ 210.00

**Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
Administrative Costs	= \$ 180.00
Forum Fees	= \$10,150.00
Total Fees	= \$10,705.00
Less payments	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 9,130.00

2. Respondent Saxony Securities is solely liable for:

Member Fees	= \$ 7,000.00
Administrative Costs	= \$ 210.00
Forum Fees	= \$10,150.00
Total Fees	= \$17,360.00
Less payments	= \$ 7,165.00
Balance Due NASD Dispute Resolution	= \$10,195.00

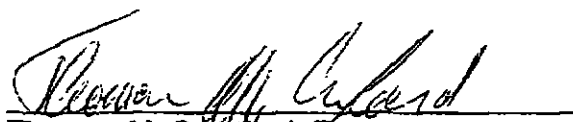
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Thomas M. Crawford, Esq.	-	Public Arbitrator, Presiding Chairperson
Keith Roberts	-	Public Arbitrator
John B. Ryan	-	Non-Public Arbitrator

**Concurring Arbitrators' Signatures**

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument, which is my award.



Thomas M. Crawford, Esq.  
Public Arbitrator, Presiding Chairperson

6/14/2006  
Signature Date

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Keith Roberts  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
John B. Ryan  
Non-Public Arbitrator

\_\_\_\_\_  
Signature Date

June 14, 2006

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Date of Service (For NASD Dispute Resolution use only)

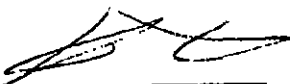
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Thomas M. Crawford, Esq.  
Public Arbitrator, Presiding Chairperson

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Signature Date

  
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Keith Roberts  
Public Arbitrator

6/14/06  
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Signature Date

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John B. Ryan  
Non-Public Arbitrator

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Signature Date

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Public Arbitrator

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Signature Date

  
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John B. Ryan  
Non-Public Arbitrator

6-14-06  
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Signature Date

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