

NASD DISPUTE RESOLUTION AWARD
NASD DISPUTE RESOLUTION

CASE: 06-01610

Vlad J. Novotny, (Claimant) vs. Newbridge Securities Corporation and Danard Warthen Brown, (Respondents)

ATTORNEYS:

For Claimant appeared Michelle S. Novotny, Campbell, CA.

For Respondent Newbridge Securities Corporation appeared in-house counsel Gregg Breitbart, Esq., Fort Lauderdale, FL.

For Respondent Danard Warthen Brown appeared Charles M. O'Rourke, Esq., of the firm Charles M. O'Rourke, Attorney-at-Law, Woodbury, NY.

NATURE OF DISPUTE: Customer v. Member and Associated Person

DATE FILED: March 26, 2006

CASE SUMMARY: Claimant alleged that Respondents breached their fiduciary duty by engaging in unauthorized trading in his account. Claimant further alleged breach of contract and failure to supervise. Claimant maintained that due to Respondent's actions, he suffered a financial loss. Claimant's claim involved various common stock.

ARBITRATOR'S REPORT: See attached Exhibit A.

Claim Data

Claim: \$3,819.00
Punitive: \$5,916.00
Attorney Fees: \$2,000.00
Interest: \$1,752.00

Filing Fees: \$500.00

Award Data

Award: \$3,819.00
Punitive: \$.00
Attorney Fees: \$.00
Interest: granted at the rate of 8% per annum from 9/15/04-date of this award.
Filing Fees: \$325.00

AWARD: The undersigned arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondents are jointly and severally liable and shall pay to the Claimant \$3,819.00. 2) All requests for attorney fees are denied. 3) Respondents are jointly and severally liable and shall pay to the Claimant interest at the rate of 8% per annum from September 15, 2004 until the date of this award. 4) All other relief requests are denied. 5) NASD Dispute Resolution shall retain the \$325.00 filing fee that the Claimant deposited previously. 6) Respondent Newbridge Securities Corporation

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is liable and shall pay Claimant \$162.50 as reimbursement of one half of the filing fee. 7) Respondent Danard Warthen Brown is liable and shall pay Claimant \$162.50 as reimbursement of one half of the filing fee.

OTHER FEES: Pursuant to Rule 10333 of the Code, Respondent, Newbridge Securities Corporation, has paid to NASD Dispute Resolution the \$325.00 Member Surcharge previously invoiced.

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Susan J. Alexander, Esq.

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Sole Public Arbitrator

AFFIRMATION

I, Susan J. Alexander, Esq., do hereby affirm, upon my oath as arbitrator that I am the individual described herein who executed this instrument, which is my oath and award.

Susan J. Alexander
Susan J. Alexander, Esq.

10-11-06
(Signature Date)

October 11, 2006
Date of Service (For NASD-DR office use only)

EXHIBIT A

Award in NASD Dispute Resolution Arbitration #06-01610

Vlad J. Novotny v. Newbridge Securities Corp. and Danard Warthen Brown

Award: \$3,819 in compensatory damages awarded to Claimant, Vlad J. Novotny, against Respondents Newbridge Securities Corp. and Danard Warthen Brown in joint and several liability.

Interest: 8% from September 15, 2004, to date of this award, September __, 2006. Punitive damages are denied.

An attorney's fee of \$2,000 is awarded to Claimant's Attorney.

Expungement was not requested by any party to this arbitration.

NASD filing fees are assessed against the Respondents: 50% is assessed against each Respondent.

Reasons for the Award:

Although the Claimant ("Novotny") signed an agreement with Newbridge Securities Corp. ("Newbridge") titled "Margin Agreement," he apparently was not aware that the agreement he signed allowed the Respondents to make purchases for him on margin. He claims that he did not authorize Mr. Brown to purchase 1100 shares of GNSS stock on margin on June 8, 2004, but that Mr. Brown nevertheless executed this order.

Novotny further claims that, once he became aware of the purchase of these shares on margin, he made a number of complaints about it by contacting several employees of Newbridge. The 1100 shares were sold at a loss on September 15, 2004. According to Novotny, his complaints about the transaction, including a certified letter he sent on September 24, 2004, were largely ignored, and he closed the account on February 22, 2005.

Because Novotny has provided sufficient support for his claim, and because Respondents have not sufficiently rebutted his claim, he is awarded compensatory damages of \$3,819 for his loss on the 1100 shares of GNSS stock. He is also awarded interest and an attorney's fee.