

**AWARD
NASD DISPUTE RESOLUTION**

In the Matter of the Arbitration Between:

Jerome Schutzer vs. Kevin John Lent

Case Number: 06-03476

SITUS: Boca Raton, Florida

NATURE OF DISPUTE: Customer vs. Associated Person.

REPRESENTATION OF PARTIES

For Jerome Schutzer, hereinafter referred to as "Claimant": Robert L. Herskovits, Esq., Gusrae, Kaplan, Bruno & Nusbaum, PLLC, New York, New York.

Respondent Kevin John Lent ("Lent") did not enter an appearance in this matter.

DATE FILED: December 8, 2005

CASE SUMMARY: Claimant alleged breach of contract; negligence; negligent supervision; breach of fiduciary duty; theft; conversion; unjust enrichment; *respondeat superior*; common law and statutory fraud; and, violation of Florida Statute Title XXXIII, Chapter 501 § 501.204 and Chapter 517 § 517.301. Claimant's claim involved Claimant's investment in mutual funds and a variable annuity. Additionally, Claimant's claim involved Respondent Lent's alleged use of margin and misappropriation of funds from Claimant's Cash Management Account.

Claim Data

Claim:	\$1,126,151.00
Punitive:	to be determined by Arbitrator
Attorney's Fees:	Unspecified
Filing Fees:	Unspecified
Other:	Unspecified

Award Data

Award:	\$1,126,151.00
Punitive:	\$0.00
Attorney's Fees:	\$0.00
Filing Fees:	\$0.00
Other:	\$0.00

OTHER ISSUES:

Initially, Claimant's claims against Respondents Merrill Lynch Pierce Fenner & Smith, Inc. and Kevin John Lent were arbitrated in NASD Arbitration Case 05-06282. By letter dated May 9, 2006, Claimant opted to proceed against Respondent Lent pursuant to Rule 10314(e) of the NASD Code of Arbitration Procedure ("Code"). The claims against Respondent Lent were bifurcated from Case 05-06282 because Respondent Lent failed

to file an Answer. The undersigned arbitrator (the "Arbitrator") determined that Respondent Lent was properly served notice of the Statement of Claim and Notification of the Arbitrator by certified mail, and that Respondent Lent is required to submit to arbitration pursuant to the Code and is bound by the determination of the Arbitrator on all issues submitted.

On or about August 11, 2006, the Arbitrator issued an Order which directed Claimant to submit, amongst other things, a sworn statement setting forth a detailed breakdown of the compensatory damages sustained by Claimant. In response to the Arbitrator's Order, on or about September 13, 2006, Claimant filed with NASD Dispute Resolution, an Affidavit dated August 31, 2006 which delineated the total amount of compensatory damages sought by Claimant as \$1,126,151.00.

AWARD: The Arbitrator has decided and determined in full and final resolution of the issues submitted for determination as follows: 1) Respondent is liable on the claims of breach of contract, theft, conversion, common law and statutory fraud, and securities fraud under Chapter 517 of Florida Statutes. Accordingly, Respondent shall pay to Claimant compensatory damages in the amount of \$1,126,151.00; 2) the Arbitrator finds that as the prevailing party under Chapter 517 of Florida Statutes, Claimant is entitled to attorneys' fees. As such, Respondent is liable for Claimant's attorneys' fees in an amount to be determined by a court of competent jurisdiction; and, 4) All other relief requests and claims for relief are denied.

FORUM FEES:

The \$500.00 filing fee previously deposited with NASD Dispute Resolution by Claimant shall be retained by NASD Dispute Resolution.

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, Merrill Lynch Pierce Fenner & Smith, Inc. is the member firm that employed Respondent at the time of events giving rise to the dispute.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$5,000.00</u>
Total Member Fees	= \$8,550.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

There were no adjournments requested during these proceedings for which fees were assessed.

ARBITRATOR

Robert K. Ruskin, Esq.

Sole Public Arbitrator

ARBITRATOR'S SIGNATURE

/s/

01/26/2007

Robert K. Ruskin, Esq.

(Signature Date)

January 26, 2007

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


ARBITRATOR

Robert K. Ruskin, Esq.

Sole Public Arbitrator

ARBITRATOR'S SIGNATURE


Robert K. Ruskin, Esq.


(Signature Date)

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