

AWARD

NASD REGULATION, INC.

In the matter of the Arbitration Between

Name of Claimant

Ryan, Beck & Co.

v.

Arbitration No.
96-04177

Name of Respondent

The Chai Center

v.

Name of Third-party Respondent

David Stefansky

REPRESENTATION

For Claimant and Counter-Respondent
Ryan, Beck & Co. and Third-party Respondent
David Stefansky:

John L. Van Horne, III, Esq.
Reeve & Van Horne
Englewood, New Jersey

For Respondent, Counter -Claimant and
Third-party Claimant The Chai Center:

Robert Rosen, Esq. and
Efrat Levy, Esq.
Rosen & Associates
Los Angeles, California

CASE INFORMATION

Statement of Claim received:

September 19, 1996

Claimant's Submission Agreement signed:

July 26, 1997

Statement of Answer, Counter-Claim
and Third-party Claim filed by
Respondent The Chai Center:

February 16, 1997

Statement of Answer to Counter-Claim
filed by Ryan, Beck & Co.:

April 25, 1997

Statement of Answer filed by
Third-party Respondent David Stefansky:

June 9, 1997

Respondent, Counter-Claimant, and
Third-party Claimant The Chai Center's
Submission Agreement signed:

December 25, 1996

Third-party Respondent David Stefansky's
Submission Agreement signed:

June 9, 1997

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions:

June 26, 1997 (One Session)
October 30, 1997 (One Session)
January 16, 1998 (One Session)
May 14, 1998 (One Session)
May 20, 1998 (One Session)
October 16, 1998 (One Session)
October 30, 1998 (One Session)

Hearing Dates/Sessions:

November 4, 1998 (Two Sessions)
November 5, 1998 (Two Sessions)
November 6, 1998 (Two Sessions)
November 12, 1998 (Two Sessions)
June 23, 1999 (Two Sessions)
June 24, 1999 (Two Sessions)
July 15, 1999 (Two Sessions)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant Ryan, Beck & Co. alleged that Respondent The Chai Center breached contractual duties to pay moneys owed to Claimant on Respondents' account.

Respondent denied each and every allegation of wrongdoing set forth in the Claimant's Statement of Claim. In its Counter-Claim and Third-party Claim, The Chai Center alleged that Counter-Respondent Ryan, Beck & Co. and Third-party Respondent David Stefansky engaged in unauthorized trading and churning, and breached their fiduciary duty owed to The Chai Center.

Counter-Respondent Ryan, Beck & Co. and Third-party Respondent David Stefansky denied each and every allegation of wrongdoing set forth in the Respondent's Counter-Claim.

RELIEF REQUESTED

Claimant Ryan, Beach & Co. requested \$79,703.62 in compensatory damages, cost of collection of the amount due, interest, attorney fees, and dismissal of the Counter-Claim in its entirety.

Respondent and Third-party Claimant The Chai Center requested dismissal of the Claimant's Statement of Claim in its entirety. In addition, Respondent requested \$13,781.16 in compensatory damages, the amount equal to the equity in their account prior to the trading, interest, costs, attorney's fees, and punitive damages. At the hearing on the merits, Respondent increased its request for damages.

Third-party Respondent David Stefansky requested dismissal of the Third-party Claim.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed either in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD Regulation, Inc., Office of Dispute Resolution.

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent The Chai Center is liable to and shall pay Claimant Ryan, Beck & Co. the sum of \$106,000.00. This sum includes an award for the debit balance and interest.
- 2) Respondent The Chai Center is liable to and shall pay Claimant Ryan, Beck & Co. interest at 10% per annum from the date of the award if the award is not paid in full within 30 days of service of the award.
- 3) The Chai Center's Counter-Claim against Ryan, Beck & Co. is denied in its entirety.
- 4) The Chai Center's Third-party Claim against Third-party Respondent David Stefansky is denied in its entirety.
- 5) The parties shall each bear their respective costs, including attorney's fees.
- 6) All relief not expressly granted is denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

Three Single-Panelist Pre-Hearing Conference Sessions @ \$300.00 / Session	= \$ 900.00
Four Full Panel Pre-Hearing Conference Sessions @ \$750.00 / Session	= \$ 3,000.00
Fourteen Hearing Sessions @ \$750.00 / Session	= \$10,500.00
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Total Fees Assessed	= \$14,400.00
Claimant's One-Half Share of Forum Fees	= \$ 7,200.00
Credit for Claimant's Hearing Session Deposit	= (\$ 600.00)
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Claimant's Balance Due	= \$ 6,600.00
Respondent The Chai Center's One-Half Share of Forum Fees	= \$ 7,200.00
Credit for Respondent's Hearing Session Deposit	= (\$ 400.00)
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Respondent's Balance Due	= \$ 6,800.00

Fees are payable to NASD Regulation, Inc.


OTHER FEES

Pursuant to Rule 10333 of the Code, Respondent Ryan, Beck & Co. has paid to NASD Regulation, Inc. the \$300.00 member surcharge previously invoiced.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Robert J. Ruben, Esq.	Public Arbitrator
Donald L. Lisle	Industry Arbitrator
Kenneth E. Alexander	Public Arbitrator

Concurring Arbitrators' Signatures


Robert J. Ruben, Esq.

Donald L. Lisle

Kenneth E. Alexander

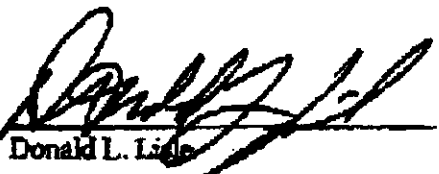
Date of Service: July 28, 1999

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Robert J. Ruben, Esq.	Public Arbitrator
Donald L. Lisle	Industry Arbitrator
Kenneth E. Alexander	Public Arbitrator

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Date of Service:

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