

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Rick D. Pyant

Case No. 99-00569

Names of Respondents

Roman Sakharovich
Thomas Falantano
The Golden Lender Financial Group, Inc.

REPRESENTATION OF PARTIES

For Rick D. Pyant, hereinafter referred to as "Claimant": Lawrence J. Bochat, Esq. of the law offices of Lawrence J. Bochat, P.C., Garden City, New York. On February 10, 2000, John E. Lawlor, Esq. of the law offices of John E. Lawlor, Mineola, New York, substituted as counsel for Claimant. On August 22, 2000, John E. Lawlor, Esq. withdrew as counsel for Claimant, and thereafter, Claimant appeared pro se.

For Roman Sakharovich ("Sakharovich") and The Golden Lender Financial Group, Inc. ("Golden Lender"): Foster J. Gibbons, Esq., General Counsel of Golden Lender, New York. On May 1, 2000, Dan A. Druz, Esq. of the law offices of Dan A. Druz, Manasquan, New Jersey, substituted as counsel for Respondents Sakharovich and Golden Lender. On July 11, 2000, Dan A. Druz, Esq. withdrew as counsel for Respondents Sakharovich and Golden Lender, and thereafter, said Respondents appeared pro se.

Thomas Falantano ("Falantano") appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: February 9, 1999.

Claimant signed the Uniform Submission Agreement on: February 5, 1999.

Statement of Answer filed by Respondents Sakharovich and Golden Lender on or about: April 20, 1999.

Respondents Sakharovich and Golden Lender signed Uniform Submission Agreements on: April 19, 1999.

Statement of Answer filed by Respondent Falantano on or about: April 20, 1999.

Respondent Falantano signed the Uniform Submission Agreement on: April 16, 1999.

CASE SUMMARY

Claimant asserted the following causes of action: 1) unauthorized trading; 2) churning; 3) breach of fiduciary duty; 4) breach of contract; 5) common law fraud; 6) violations of the NASD Rules of Fair Practice; 7) violations of the New York Stock Exchange rules; 8) unsuitability; 9) failure to supervise; and 10) violations of the anti-fraud provisions of the New York Blue Sky Laws. The causes of action relate to purchases and sales of shares of stock in Cypress Semiconductor Corp., Domtar Incorporated, Phillip Morris, Kmart, The Sports Authority, LSI Logic Corp., Leasing Solutions, Inc., Healthsouth Corp., Consolidated Stores Corp., Budget Group, Inc., Vesta Insurance Group, Inc., CompUSA, and Cabletron Systems, Inc.

Unless specifically admitted in their Answer, Respondents Sakharovich and Golden Lender denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimant is barred from recovery by the doctrines of estoppel and unclean hands; 2) Respondents Sakharovich and Golden Lender conducted all transactions and charged commissions within industry guidelines; 3) Claimant approved, adopted or ratified all transactions at issue; 4) Claimant assumed the risks of active trading and trading on margin; 5) Claimant's losses, if any, were caused by market forces; and 6) Claimant's losses, if any, were caused by Claimant's actions or decisions.

Unless specifically admitted in his Answer, Respondent Falantano denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimant expressly consented to the transactions at issue; and 2) Respondent Falantano exercised reasonable care in managing Claimant's account.

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$64,540.76; 2) reimbursement of commissions, fees and margin interest in the approximate amount of \$20,000.00; 3) lost profits in excess of \$10,000.00; 4) punitive damages in the amount of \$20,000.00; 5) interest at the rate of five percent (5.00%) per annum; 6) costs in the amount of \$900.00; 7) attorneys' fees in the amount of \$1,142.16; and 8) such other relief the undersigned arbitrators (the "Panel") deemed just and proper.

Respondents Sakharovich, Golden Lender and Falantano requested: 1) dismissal of the Statement of Claim; and 2) costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Sakharovich and Golden Lender did not appear at or participate in the evidentiary hearing. Upon review of the file and the representations made by/on behalf of the Claimant, the Panel determined that Respondents Sakharovich and Golden Lender have been properly served with the Statement of Claim, answered the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without

said Respondents present, in accordance with the NASD-DR Code of Arbitration Procedure (the "Code").

At the evidentiary hearing, the Panel granted Claimant's oral motion for leave to amend the Statement of Claim. The Panel accepted Claimant's oral amendments to seek compensatory damages in the amount of \$64,540.76, punitive damages in the amount of \$20,000.00, interest at the rate of five percent (5.00%) per annum, costs in the amount of \$900.00, and attorneys' fees in the amount of \$1,142.16.

The parties at the evidentiary hearing have 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 testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted by Claimant against Respondent Falantano are dismissed with prejudice.
2. Respondents Sakharovich and Golden Lender are liable, jointly and severally, and Respondents Sakharovich and Golden Lender shall pay to Claimant compensatory damages in the amount of \$51,845.00, pre-judgment interest specifically excluded. Post-judgment interest shall accrue at the rate of five percent (5.00%) per annum in accordance with Section 10330(h) of the Code.
3. Claimant's request for punitive damages is denied.
4. Claimant's request for attorneys' fees is denied.
5. All other requests for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$200.00

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. In this matter, the member firm is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Adjournment Fees

Adjournments requested during these proceedings:

January 18, 19 and 20, 2000, adjournment by Claimant, Respondent Sakharovich and Respondent Golden Lender = \$0.00 (adjournment fee waived by Panel)

May 16, 17 and 18, 2000, adjournment by Respondents Sakharovich and Golden Lender = \$1,000.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator x \$300.00 = \$ 600.00

Pre-hearing conferences: December 8, 1999 1 session
January 6, 2000 1 session

Three (3) Pre-hearing sessions with Panel x \$750.00 = \$2,250.00

Pre-hearing conferences: August 2, 1999 1 session
May 3, 2000 1 session
July 13, 2000 1 session

Two (2) Hearing sessions x \$750.00 = \$1,500.00

Hearing Date: August 30, 2000 2 sessions

Total Forum Fees = \$4,350.00

The Panel has assessed the total forum fees of \$4,350.00 jointly and severally to Respondents Sakharovich and Golden Lender.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$200.00
Total Fees	= \$200.00
<u>Less payments</u>	<u>= \$200.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$0.00

Respondent Golden Lender be and hereby is solely liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$1,000.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,600.00

Respondents Sakharovich and Golden Lender be and hereby are jointly and severally liable for:

Adjournment Fee	= \$1,000.00
Forum Fees	= \$4,350.00
Total Fees	= \$5,350.00
<u>Less payments</u>	<u>= \$4,600.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$750.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

/s/

Stanley H. Ragle, Esq.
Public Arbitrator, Presiding Chair

Signature Date

/s/

Donald G. Kennedy
Public Arbitrator

Signature Date

/s/

David M. Pierce
Industry Arbitrator

Signature Date

September 12, 2000

Date of Service (For NASD-DR office use only)

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$200.00
Total Fees	= \$200.00
<u>Less payments</u>	<u>= \$200.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$0.00

Respondent Golden Lender be and hereby is solely liable for:

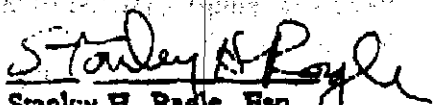
Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$1,000.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,600.00

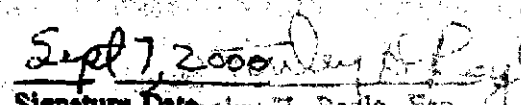
Respondents Sakharovich and Golden Lender be and hereby are jointly and severally liable for:

Adjournment Fee	= \$1,000.00
Forum Fees	= \$4,350.00
Total Fees	= \$5,350.00
<u>Less payments</u>	<u>= \$ 750.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$4,600.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures


Stanley H. Ragle, Esq.
Public Arbitrator, Presiding Chair


Sept 7, 2000
Signature Date Stanley H. Ragle, Esq.
Public Arbitrator, Presiding Chair

Donald G. Kennedy
Public Arbitrator

Signature Date

David M. Pierce
Industry Arbitrator

Signature Date

Date of Service (For NASD-DR office use only)

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$200.00
Total Fees	= \$200.00
<u>Less payments</u>	<u>= \$200.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$0.00

Respondent Golden Lender be and hereby is solely liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$1,000.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,600.00


Respondents Sakharovich and Golden Lender be and hereby are jointly and severally liable for:

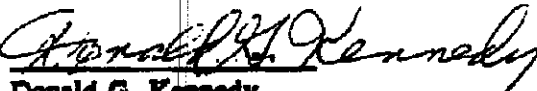
Adjournment Fee	= \$1,000.00
Forum Fees	= \$4,350.00
Total Fees	= \$5,350.00
<u>Less payments</u>	<u>= \$ 750.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$4,600.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures


Stanley H. Ragle, Esq.
Public Arbitrator, Presiding Chair


Signature Date Stanley H. Ragle, Esq.
Public Arbitrator, Presiding Chair


Donald G. Kennedy
Public Arbitrator

Sept. 8, 2000
Signature Date

David M. Pierce
Industry Arbitrator

Signature Date

Date of Service (For NASD-DR office use only)

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$200.00
Total Fees	= \$200.00
<u>Less payments</u>	<u>= \$200.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$0.00

Respondent Golden Lender be and hereby is solely liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$1,000.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$3,600.00

Respondents Sakharovich and Golden Lender be and hereby are jointly and severally liable for:

Adjournment Fee	= \$1,000.00
Forum Fees	= \$4,350.00
Total Fees	= \$5,350.00
<u>Less payments</u>	<u>= \$ 750.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$4,600.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures

Stanley H. Ragle, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Donald G. Kennedy
Public Arbitrator

Signature Date

David M. Pierce
Industry Arbitrator

9-7-00
Signature Date

Date of Service (For NASD-DR office use only)