

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Robert Lechman and Foresight Capital Management, Inc., Claimants v. Stanley C. Brooks and Brookstreet Securities Corporation, Respondents

Case Number: 99-00938

Hearing Site: Los Angeles, California

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**REPRESENTATION OF PARTIES**

For Claimants:

Paul W. Thomas, Esq.  
Law Offices of  
Paul W. Thomas & Associates  
Carlsbad, CA

For Respondents:

H. Thomas Fehn, Esq.  
Fields, Fehn & Sherwin  
Los Angeles, CA

**CASE INFORMATION**

Statement of Claim filed: February 19, 1999

Amended Statement of Claim filed: March 3, 1999

Second Amended Statement of Claim filed: September 10, 1999

Claimant Robert Lechman's Uniform Submission Agreement signed: February 20, 1999

Claimant Foresight Capital Management, Inc. Uniform Submission Agreement signed: March 24, 1999

Joint Statement of Answer filed by Respondents: August 12, 1999

Joint Statement of Answer to Claimant's Second Amended Statement of Claim filed by Respondents: March 16, 2000

Respondent Brookstreet Securities Corporation's Uniform Submission Agreement signed: July 2, 1999

Respondent Stanley C. Brooks' Uniform Submission Agreement signed: July 13, 2000

### **CASE SUMMARY**

Claimants alleged breach of contract and conversion.

Respondents denied the allegations of wrongdoing set forth in the Claimants' Statement of Claim and subsequent amended pleadings.

### **RELIEF REQUESTED**

Claimants requested between \$1,621,058.00 and \$1,789,058.00 in compensatory damages. Claimants also requested punitive damages, interest, attorney's fees and reimbursement for costs of arbitration.

Respondents requested that Claimants' Statement of Claim be dismissed in its entirety. Respondents also requested an unspecified amount in damages.

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

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, testimony, and evidence presented at the hearing, the Panel decided in full and final resolution of the issues submitted for determination as follows:

1. All claims brought on behalf of Claimant Foresight Capital Management Inc. are denied in their entirety.
2. Respondent Stanley C. Brooks and Brookstreet Securities Corporation are jointly and severally liable to and shall pay Claimant Robert Lechman \$ 237,000.00 in compensatory damages.
3. Claimants Robert Lechman and Foresight Capital Management Inc.'s request for punitive damages is denied.
4. Each party is to bear its own costs of arbitration, including attorney's fees.

5. Respondent Stanley C. Brooks and Brookstreet Securities Corporation are jointly and severally liable to and shall pay Claimant Robert Lechman interest at a rate of 10% per annum simple interest on the sum of \$ 237,000.00 from the date of the award until paid in full.
6. This award terminates any further obligation under existing contract between the parties.
7. All relief requested and not granted is expressly denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. has received or will collect the non-refundable filing fees for the claim as follows:

Initial claim filing fee	= \$ 500.00
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#### **Member Fees**

Member fees are assessed to each member firm that is either a party in the matter or an employer of a respondent associated person at the time of the event of the dispute.

Accordingly, the member firm Foresight Capital Management Inc. is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 4,500.00</u>
<b>Total Member Fees</b>	<b>= \$ 6,600.00</b>

Accordingly, the member firm Brookstreet Securities Corporation is a party and the following fees are assessed:

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 4,500.00</u>
<b>Total Member Fees</b>	<b>= \$ 6,600.00</b>

**Forum Fees and Assessments**

The Panel assessed a forum fee for each pre-hearing conference or hearing session conducted. A pre-hearing conference and hearing session is any meeting between the parties and the Chair/Panel. The following fees are assessed:

One Pre-hearing conference session with the Chair @ \$300.00/session	= \$ 300.00
Pre-hearing conference: June 14, 2000 1 session	
One Pre-hearing conference session with the Panel @ \$1,000.00/session	= \$ 1,000.00
Pre-hearing conference: March 6, 2000 1 session	
Four Hearing sessions @ \$1,000.00/session	= \$ 4,000.00
Hearings: July 13, 2000 2 sessions	
July 14, 2000 2 sessions	
<b>Total Forum Fees</b>	<b>= \$ 5,300.00</b>

1. The Panel assessed \$ 2,650.00 of the forum fees jointly and severally to Claimants Robert Lechman and Foresight Capital Management, Inc..
2. The Arbitration Panel has assessed \$ 2,650.00 of the forum fees jointly and severally to Respondents Stanley C. Brooks and Brookstreet Securities Corporation.

**Administrative Costs**

Administrative costs are expenses incurred because a party requested additional services beyond the normal administrative services. These additional services include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, security, and other requests.

Claimants Robert Lechman and Foresight Capital Management, Inc.  
requested photocopies: 100 copies @ .50/copy = \$ 50.00

Respondent Brookstreet Securities Corporation requested photocopies:  
85 copies @ .50/copy = \$ 42.50

**Fee Summary**

1. Claimant Foresight Capital Management, Inc. is charged with the following fees and costs:

<u>Member Fees</u>	= \$ 6,600.00
<b>Balance Due NASD Dispute Resolution, Inc.</b>	<b>= \$ 6,600.00</b>

2. Claimants Robert Lechman and Foresight Capital Management, Inc. are charged jointly and severally with the following fees and costs:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$ 2,650.00
<u>Administrative Costs</u>	= \$ 50.00
Total Fees	= \$ 3,200.00
<u>Less payment</u>	= \$ (1,250.00)
<b>Balance Due NASD Dispute Resolution, Inc.</b>	<b>= \$ 1,950.00</b>

3. Respondent Brookstreet Securities Corporation is charged with the following fees and costs:

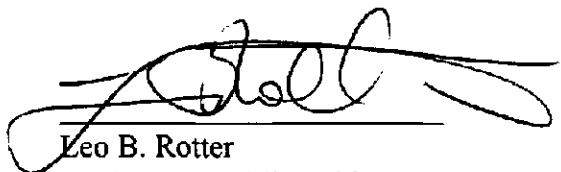
Member Fees	= \$ 6,600.00
<u>Administrative Costs</u>	= \$ 42.50
Total Fees	= \$ 6,642.50
<u>Less payments</u>	= \$ (2,100.00)
<b>Balance Due NASD Dispute Resolution, Inc.</b>	<b>= \$ 4,542.50</b>

4. Respondents Stanley C. Brooks and Brookstreet Securities Corporation are charged jointly and severally with the following fees and costs:

<u>Forum Fees</u>	= \$ 2,650.00
<b>Balance Due NASD Dispute Resolution, Inc.</b>	<b>= \$ 2,650.00</b>

All balances are payable to NASD Dispute Resolution, Inc. and are due within 30 days of the Award's date of service.

**Concurring Arbitrators' Signatures**



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Leo B. Rotter  
Chair, Non-Public Arbitrator

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Signature Date

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Richard J. Stall, Jr., Esq.  
Public Arbitrator

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Signature Date

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Thomas Edward Wall, Esq.  
Public Arbitrator

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Signature Date

*July 28, 2000*

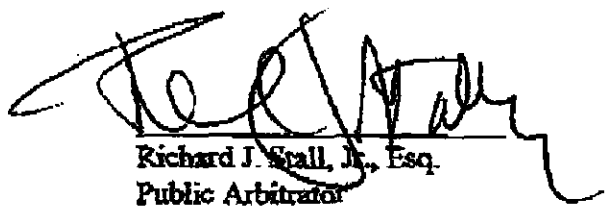
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Date of Service

Concurring Arbitrators' Signatures

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Chair, Non-Public Arbitrator

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NASD Dispute Resolution, Inc.  
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Award Page 6 of 6

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Public Arbitrator

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Thomas Edward Wall, Esq.  
Public Arbitrator

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Signature Date

JULY 26, 2000  
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Signature Date

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Date of Service