

**Award**  
**NASD Regulation, Inc.**

---

In the Matter of the Arbitration Between:  
National Securities Corporation, Claimant v. Scott Ehlers, Respondent.

Case Number: 99-01590

Hearing Site: Las Vegas, Nevada  
(Conducted by Telephone)

---

**REPRESENTATION OF PARTIES**

National Securities Corporation:

Patrick L. Hinton, Esq.,  
Hinton & Roth,  
Truckee, California.

Scott Ehlers:

No Appearance.

**CASE INFORMATION**

Statement of Claim filed: March 24, 1999

Claimant, National Securities Corporation, signed the Uniform Submission Agreement:  
March 24, 1999.

Statement of Answer filed by Respondent, Scott Ehlers: No Statement of Answer filed.

Respondent, Scott Ehler, signed the Uniform Submission Agreement: No Uniform Submission Agreement signed.

**CASE SUMMARY**

Claimant alleged breach of employment contract, fraud, indemnity and contribution.

**RELIEF REQUESTED**

Claimant requested \$40,000.00 in compensatory damages, punitive damages, interest, attorney's fees, and reimbursement for costs of arbitration.

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

Upon review of the file and the representations made by the Claimant, the undersigned arbitrator determined that Respondent Scott Ehlers has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondent Scott Ehlers did not file with the NASD Regulation, Inc. Office of Dispute Resolution a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Panel on all issues submitted.

The parties 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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent Scott Ehlers is liable to and shall pay Claimant the sum of \$45,981.67 in compensatory damages, attorney's fees, and arbitration costs.

Respondent Scott Ehlers is liable to and shall pay Claimant the sum of \$45,981.67 in punitive damages.

All relief not expressly granted is denied.

### **FEES**

Pursuant to the Code, the following fees are assessed:

#### **Filing Fees**

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

Initial claim filing fee	= \$1,000.00
--------------------------	--------------

### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the event giving rise to the dispute. In this matter, the member firm National Securities Corporation is a party.

Member Surcharge	≈ \$ 800.00
Pre-Hearing process fee	≈ \$ 600.00
Hearing process fee	≈ \$1,000.00

### **Forum Fees and Assessments**

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

One Pre-hearing session with Panel x \$600.00		= \$ 600.00
Pre-hearing conference:	November 12, 1999	1 session
One Hearing session x \$600.00		= \$ 600.00
Hearing Date:	January 18, 2000	1 session
<hr/> Total Forum Fees		= \$1,200.00

1. The Arbitration Panel has assessed \$1,200.00 of the forum fees to Scott Ehlers.

### **Fee Summary**

1. Claimant, National Securities Corporation, be and hereby is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 2,400.00
Total Fees	= \$ 3,400.00
<u>Less payments</u>	<u>= \$ 3,000.00</u>
Balance Due NASD Regulation, Inc.	= \$ 400.00

3. Respondent, Scott Ehlers, be and hereby is solely liable for:

Forum Fees	= \$ 1,200.00
Total Fees	= \$ 1,200.00
<u>Less payments</u>	<u>= \$ 0</u>
Balance Due NASD Regulation, Inc.	= \$ 1,200.00

All balances are due to NASD Regulation, Inc. and are payable within 30 days of the service date of this Award.

Concurring Arbitrators' Signature(s)

Thomas L. Flattery

Thomas L. Flattery, Esq.  
Public Arbitrator, Presiding Chair

January 26, 2000

Signature Date

Steven K. Lum, Esq.  
Public Arbitrator

Signature Date

Harvey M. Hudgins  
Industry Arbitrator

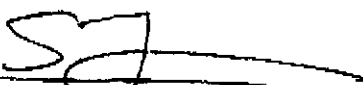
Signature Date

Date of Service (For NASD office use only)

Concurring Arbitrators' Signature(s)

\_\_\_\_\_  
Thomas L. Flattery, Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Steven K. Luu, Esq.  
Public Arbitrator

1/26/00  
\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Harvey M. Hudgins  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Date of Service (For NASD office use only)

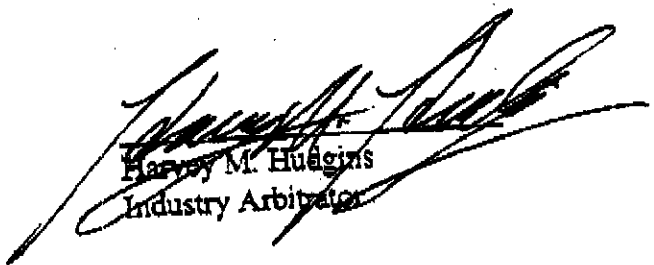
Concurring Arbitrators' Signature(s)

\_\_\_\_\_  
Thomas L. Flattery, Esq.  
Public Arbitrator, Presiding Chair

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Steven K. Lum, Esq.  
Public Arbitrator

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Harvey M. Hudgins  
Industry Arbitrator

1-27-00  
\_\_\_\_\_  
Signature Date

January 27, 2000  
Date of Service (For NASD office use only)