

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

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In the Matter of the Arbitration Between:

**Shailesh Desai and Jayashree M. Paranjape,**  
Claimants

vs.

Case Number: 99-03410  
Hearing Site: Cleveland, Ohio

**Fairchild Financial Group, Inc.,**  
**Bradley D. St. Myer,**  
**Jason Michael Cope,**  
**Edward J. McCune,** and  
**Allen Soles.**  
Respondents.

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**REPRESENTATION OF PARTIES**

Thomas C. Wagner, Esquire, of Chattrnan, Gaines & Stern, Cleveland, Ohio, represented Claimants Shailesh Desai and Jayashree M. Paranjape.

Respondents Bradley D. St. Myer ("St. Myer") and Jason Michael Cope ("Cope") were initially represented by Marc B. Dorfman, Esquire, of Freedman, Levy, Kroll & Simonds, Washington, D.C. However, neither St. Myer nor Cope was represented by counsel at the hearing, and both failed to appear.

Respondents Fairchild Financial Group, Inc. ("Fairchild"), Edward J. McCune ("McCune") and Allen Soles ("Soles") were not represented by counsel and did not appear at the hearing.

**CASE INFORMATION**

The Statement of Claim was filed on or about July 27, 1999.  
Both Claimants signed the Uniform Submission Agreement on November 25, 1998.

Respondents St. Myer and Cope filed their Joint Statement of Answer on or about March 31, 2000.  
Respondent Cope signed the Uniform Submission Agreement on April 17, 2000.  
Respondent St. Myer did not sign the Uniform Submission Agreement.

Respondents Fairchild, McCune and Soles did not file Answers or Uniform Submission Agreements.

### **CASE SUMMARY**

Claimants alleged the following in their Statement of Claim: common law fraud; violations of Section 10(b) and Rule 10b-5; false and misleading statements and omissions; violations of Ohio statutes; unsuitability; breach of contract; failure to exercise due diligence and breach of fiduciary duty. The allegations were related to transactions in the following securities: Pyxis Corp., Interiors, Inc. and Compare Generiks, Inc.

In their Joint Statement of Answer, Respondents St. Myer and Cope denied all allegations of wrongdoing and asserted the following affirmative defenses: failure to state a claim upon which relief can be granted; violations of applicable statute(s) of limitations; assumption of the risk and failure to mitigate.

### **RELIEF REQUESTED**

Claimants requested:

Compensatory Damages	\$ 15,000.00
Punitive Damages	unspecified
Interest	unspecified
Attorney's Fees	unspecified

Respondents St. Myer and Cope requested that the Statement of Claim be dismissed in its entirety and that they be awarded costs and attorney's fees.

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

Prior to the hearing, Claimants settled with every Respondent except Bradley D. St. Myer and dismissed these Respondents - Fairchild, Cope, McCune and Soles - from the case.

Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned Panel determined that Respondent Bradley D. St. Myer was 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 Bradley D. St. Myer did not file with the NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the Code and, having filed an Answer asserting affirmative defenses to the Statement of Claim, is bound by the determination of the Panel on all issues submitted.

AWARD

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

1. Respondent Bradley D. St. Myer is solely liable for, and shall pay to Claimants, Shailesh Desai and Jayashree M. Paranjape, the amount of \$18,000.00 (Eighteen Thousand Dollars and No Cents) in Compensatory Damages.
2. Except as specified otherwise herein, each party shall bear its own costs and attorneys' fees.

Any and all relief not specifically addressed herein, including punitive damages, is 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 = \$125

The Panel directs the reimbursement of Claimants' initial claim filing fee by Respondent Bradley D. St. Myer.

**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 events giving rise to the dispute. In this matter, the member firm is Fairchild Financial Group, Inc.

Member surcharge = \$400

**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, including a pre hearing conference with the arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing conference x \$450 = \$450  
Pre-hearing conference: November 14, 2000 1 session

**NASD-DR Award**

**Shailesh Desai and Jayashree M. Paranjape vs. Fairchild Financial Group, Inc., et al**

**Arbitration # 99-03410**

**Page 4 of 4**

One (1) Hearing session x \$450	= \$450
Hearing Date: January 25, 2001 1 session	
Total Forum Fees	= \$900

The Panel has assessed \$450 in Forum Fees to Claimants Desai and Paranjape, jointly and severally.

The Panel has assessed the remaining \$450 in Forum Fees to Respondents Fairchild, St. Myer, Cope, McCune and Soles, jointly and severally.

**Fee Summary**

1. Claimants, Desai and Paranjape, be and hereby is solely liable for:

Initial Filing Fee	= \$125
Forum Fees	= \$450
Total Fees	= \$575
Less payments	= \$575
Balance Due NASD Dispute Resolution, Inc.	= \$ 0

Respondent St. Myer will reimburse the \$125 initial filing fee directly to Claimants.

2. Respondent Fairchild Financial Group, Inc. be and hereby is solely liable for:

Member Fees	= \$400
Total Fees	= \$ 400
Less Payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$400

3. Respondents Fairchild Financial Group, Inc., Bradley D. St. Myer, Jason Michael Cope, Edward J. McCune and Allen Soles, be and hereby are jointly and severally liable for:

Forum Fees	= \$450
Total Fees	= \$450
Less payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$450

With the exception of the initial filing fee reimbursement, payable directly to Claimants, all balances are due to NASD Dispute Resolution, Inc.

**Sole Arbitrator's Signature**

Benjamin A. Kerner  
Benjamin A. Kerner, Esq.  
Public Arbitrator

April 4, 2001  
Signature Date

April 4, 2001  
Date of Service (For NASD-DR office use only)

## NASD-DR Award

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Page 4 of 4

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**Fee Summary**

1. Claimants, Desai and Paranjape, be and hereby is solely liable for:

Initial Filing Fee = \$125

Forum Fees = \$450

Total Fees = \$575

Less payments = \$575

Balance Due NASD Dispute Resolution, Inc. = \$0

Respondent St. Myer will reimburse the \$125 initial filing fee directly to Claimants.

2. Respondent Fairchild Financial Group, Inc. be and hereby is solely liable for:

Member Fees = \$400

Total Fees = \$400

Less Payments = \$0

Balance Due NASD Dispute Resolution, Inc. = \$400

3. Respondents Fairchild Financial Group, Inc., Bradley D. St. Myer, Jason Michael Cope, Edward J. McCune and Allen Soles, be and hereby are Jointly and severally liable for:

Forum Fees = \$450

Total Fees = \$450

Less payments = \$0

Balance Due NASD Dispute Resolution, Inc. = \$450

With the exception of the initial filing fee reimbursement, payable directly to Claimants, all balances are due to NASD Dispute Resolution, Inc.

**Sole Arbitrator's Signature**

*Benjamin A. Kemer*

Benjamin A. Kemer, Esq.

Public Arbitrator

*Apr 4, 01*

Signature Date

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