

Award  
NASD Dispute Resolution

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In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 99-04176

Sarjit Bharj

Name of the Respondent

Hearing Site: Philadelphia, Pennsylvania

Lloyd Wade Securities, Inc.

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REPRESENTATION OF PARTIES

Claimant Sarjit Bharj ("Bharj") represented himself.

Respondent, Lloyd Wade Securities, Inc. ("Lloyd") was initially represented by David E. Graven, Esq., Aurora, Colorado. On or about January 22, 2002, Mr. Graven withdrew from representation and David Rutkoske, Lloyd Wade Securities, Inc., Allen, Texas began representing Lloyd.

CASE INFORMATION

Statement of Claim filed on or about September 10, 1999.

Supplemental Statement of Claim was filed on or about October 30, 1999.

Claimant signed the Uniform Submission Agreement on October 21, 1999.

Statement of Answer filed on or about August 16, 2001.

David Rutkoske, President, executed Respondent's Uniform Submission Agreement on August 14, 2001.

CASE SUMMARY

Claimant asserted the following cause of action: unauthorized transactions on his account. The cause of action relates to the unauthorized purchase and sale of certain stocks, including but not limited to, Netbet stock.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and Supplemental Statement of Claim, and asserted the following defenses: Claimant's stock broker, Mr. Legrecca, was an independent contractor of Respondent and affiliated with OSJ and if Claimant's allegations are true, Mr. Legrecca actions were a violation of the agreement between OSJ and Respondent; failure to name indispensable parties; claim barred by statute of limitations and ratification; Claimant cannot authorize a transaction and then when the trades becomes not profitable then claim the trade was unauthorized and/or unsuitable; Claimant authorized the transactions; failure to mitigate, failure to send in money to cover and/or

otherwise pay for transactions; Claimant sent in money to pay for the alleged unauthorized transactions; Respondent complied with Section 15(b)(4) (E) of the United States Securities Exchange Act; Respondent took reasonable precautions to prevent securities violations; Respondent reasonably discharged its duties and obligations; there is no such offense as failing to supervise someone else's failure to supervise; Respondent acted in good faith and exercised its ordinary and regular business judgment; and the Business Judgment Rule.

#### RELIEF REQUESTED

Claimant in his Supplemental Statement of Claims requested \$50,000.00 in compensatory damages.

Respondent in its Answer requested it be compensated by the Claimant for all expenses and costs incurred because of this Arbitration including, but not limited to, filing fees, travel costs, lodging, attorney fees, hearing fees, etc.

#### AWARD

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

1. Respondent shall pay Claimant compensatory damages in the amount of \$35,000.00; no prejudgment interest is awarded on this amount.
2. The parties shall bear their respective costs, including attorney's fees, except as Fees are specifically addressed below.
3. Any and all relief not specifically addressed herein is denied in its entirety.

#### FEES

Pursuant to the Code, the following fees are assessed:

##### Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:  
Initial claim filing fee = \$175.00

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 events giving rise to the dispute. Accordingly, Respondent is a party.

Member surcharge	= \$ 800.00
Pre-hearing process fee	= \$ 600.00
<u>Hearing process fee</u>	<u>= \$1,000.00</u>
Total Member Fees	= \$2,400.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

June 4-5, 2002 adjournment by Respondent	= \$ 450.00
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Forum Fees and Assessments

The Arbitrator has assessed forum fees for each session conducted. A 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:

Four (4) Pre-hearing session with a single arbitrator @ \$450.00	= \$1,800.00
Pre-hearing conference:	
October 17, 2001	1 session
May 29, 2002	1 session
September 6, 2002	1 session
September 7, 2002	1 session

Two (2) Hearing sessions with a single arbitrator @ \$450.00	= \$ 900.00
Hearing Date:	September 10, 2002 2 sessions

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Total Forum Fees	= \$2,700.00
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1. The Arbitrator has assessed \$675.00 of the forum fees to Claimant.
2. The Arbitrator has assessed \$2,025.00 of the forum fees to Respondent.

FEE SUMMARY

1. Claimant is assessed the following fees:	
Initial Filing Fee	= \$ 175.00
<u>Forum Fees</u>	<u>= \$ 675.00</u>
Total Fees	= \$ 850.00
<u>Less payments</u>	<u>= \$ 775.00</u>
Balance Due NASD Dispute Resolution	= \$ 75.00

2. Respondent is assessed the following fees:

Member Fees	= \$ 2,400.00
Adjournment Fees	= \$ 450.00
<u>Forum Fees</u>	<u>= \$ 2,025.00</u>
Total Fees	= \$ 4,875.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,875.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATOR

Francis P. Devine, III, Esq.

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Public Arbitrator, Presiding Arbitrator

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Arbitrator's Signature



Francis P. Devine, III, Esq.  
Public Arbitrator, Presiding Arbitrator

10/10/02

Signature Date

Date of Service (For NASD Dispute Resolution office use only)