

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Slavic Investment Corporation
Slavic Mutual Funds Management Corp.

Case No. 99-04591

Names of Respondents

William D. Leetch
AC Financial, Inc.

REPRESENTATION OF PARTIES

For Slavic Investment Corporation and Slavic Mutual Funds Management Corp. ("Slavic"), hereinafter collectively referred to as "Claimants": Russell L. Forkey, P.A., Ft. Lauderdale, Florida.

For William D. Leetch ("Leetch"): Edwin M. Saginar, Esq., Norcross, Georgia and Steven J. Gard, Esq. of the law firm of Page & Bacek, LLP, Atlanta, Georgia.

For AC Financial, Inc. ("AC"): Andrew E. Goldstein, Esq., New York, New York until his withdrawal of counsel on or about May 3, 2000. Thereafter, Respondent AC did not appear.

CASE INFORMATION

Statement of Claim filed on or about: October 8, 1999.

Amended Statement of Claim filed on or about: April 25, 2000.

Claimants signed the Uniform Submission Agreement: October 7, 1999.

William D. Leetch's Response to Request for Injunctive Relief filed on or about: October 29, 1999.

Respondent William D. Leetch's Answer to Claimants' Amended Statement of Claim filed on or about: May 26, 2000.

Respondent Leetch did not file an executed Uniform Submission Agreement.

Respondent AC Financial, Inc.'s Answer to Claimants' Statement of Claim filed on or about: December 6, 1999.

Respondent AC signed the Uniform Submission Agreement: December 13, 1999.

CASE SUMMARY

Claimants asserted the following: The Claimants filed a Statement of Claim and, thereafter, an Amended Statement of Claim against the Respondents requesting a temporary and permanent injunction be entered against Respondents due to breach of contract, conversion, misuse of trade secrets and confidential information, spoliation of evidence and tortious interference with advantageous business relationships.

Respondent Leetch asserted the following: Claimants sought monetary damages and injunctive relief by seeking to enforce Non-Compete Agreements executed in 1996 by Respondent Leetch. Even if there was consideration for the Non-Compete Agreements (the threat of Respondent Leetch's loss of his position with the Claimants) the Supervisory Manual executed more than one year after the Non-Compete Agreement was contradictory in terms and allowed Respondent Leetch free access to solicit all Slavic customers. The territory contemplated by the 1996 non-compete document is a one hundred mile radius from the Slavic, Boca Raton, Florida office. No evidence was adduced to demonstrate that any of the contracts between Respondent Leetch and customers of the Claimants were within such territory.

Respondent AC asserted that Claimants are guilty of waiver, satisfaction and estoppel in that this action for injunction was instituted more than nine months after the expiration of the Non-Compete Agreement which forms the basis of this claim.

RELIEF REQUESTED

Claimants requested an Award as follows:

1. Enter a permanent injunction against Respondents and all other persons or entities acting in concert with them or on their behalf or participating with them enjoining Respondents from, directly or indirectly, using, disclosing, or retaining any trade secrets and confidential information belonging to Claimants;
2. Enter a permanent injunction preventing Respondents from contacting Claimants' clients and from impersonating Claimants or Claimants' clients with any mutual fund or other entities;
3. Direct Respondent Leetch to provide an accounting to Claimants for all unauthorized business, which he placed through other firms;
4. Enter a judgment for damages in the amount of \$100,000.00 plus interest, punitive damages in the amount of \$50,000.00 and costs against Respondents jointly and severally; and,
5. Enter a judgment against Respondent Leetch for the Spoliation of Evidence in the amount of \$100,000.00 and/or such other relief, as the panel deemed appropriate.

Respondent Leetch requested that the panel deny all claims for damages and injunctive relief sought by the Claimants. Respondent Leetch further requested that the panel award Respondent Leetch his attorneys' fees and costs incurred.

Respondent AC requested that an order be entered denying the relief requested in the Statement of Claim; awarding attorneys' fees and the costs of these proceedings to AC; assessing the costs and fees incident to the arbitration against the Claimants; and, such other relief as may be just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent AC did not attend the evidentiary hearing in this matter. Upon review of the file and the representations made by/on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent AC 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 Leetch 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 having answered the claim, appeared and testified at the hearing, 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 (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

All claims of the Claimants against Respondents are dismissed in all respects.

Claimants' request for punitive damages is denied.

Each party shall bear their respective costs, including attorneys' fees.

All other requests for relief not specifically addressed herein are 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(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firms Slavic Investment Corporation and AC Financial, Inc. are parties.

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

Adjournment Fees

Adjournments requested during these proceedings:

No adjournments were requested during these proceedings.

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:

One Injunctive Relief session with a single arbitrator x \$450.00	= \$450.00
Injunctive relief hearing: November 1, 1999	1 session
One Pre-hearing session with a single arbitrator x \$450.00	= \$450.00
Pre-hearing conference: March 30, 2000	1 session
Two Pre-hearing sessions with Panel x \$1,125.00	= \$2,250.00
Pre-hearing conferences: December 13, 1999	1 session
May 30, 1999	1 session
Six Hearing sessions x \$1,125.00	= <u>\$6,750.00</u>
Hearing Dates: June 13, 2000	2 sessions
June 14, 2000	2 sessions
<u>June 15, 2000</u>	<u>2 sessions</u>
Total Forum Fees	= \$9,900.00

The Panel has assessed \$4,950.00 of the forum fees to Claimants, jointly and severally.
The Panel has assessed \$4,950.00 of the forum fees to Respondent Leetch.

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.

Claimants requested a copy of the file at a cost of \$38.00.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$1,000.00
Injunctive Fee	= \$2,500.00
Forum Fees	= \$4,950.00
<u>Administrative Costs</u>	<u>= \$38.00</u>
Total Fees	= \$8,488.00
<u>Less payments</u>	<u>= \$2,538.00</u>
Balance Due NASD Regulation, Inc.	= \$5,950.00

Claimant Slavic Investment Corporation be and hereby is solely liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$4,225.00</u>
Balance Due NASD Regulation, Inc.	= \$375.00

Respondent AC be and hereby is solely liable for:

Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$0.00</u>
Balance Due NASD Regulation, Inc.	= \$4,600.00

Respondent Leetch be and hereby is solely liable for:

Forum Fees	= \$4,950.00
Total Fees	= \$4,950.00
<u>Less payments</u>	<u>= \$0.00</u>
Balance Due NASD Regulation, Inc.	= \$4,950.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

_____/s/_____
Daniel E. Gulden, Esq.
Public Arbitrator, Presiding Chair

Signature Date

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Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$4,225.00</u>
Balance Due NASD Regulation, Inc.	= \$375.00

Respondent AC be and hereby is solely liable for:


Member Fees	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	<u>= \$0.00</u>
Balance Due NASD Regulation, Inc.	= \$4,600.00

Respondent Leetch be and hereby is solely liable for:

Forum Fees	= \$4,950.00
Total Fees	= \$4,950.00
<u>Less payments</u>	<u>= \$0.00</u>
Balance Due NASD Regulation, Inc.	= \$4,950.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures


Daniel E. Gulden, Esq.
Public Arbitrator, Presiding Chair

July 4, 2000
Signature Date

Winnie P. Pannell
Winnie P. Pannell, Esq.
Public Arbitrator

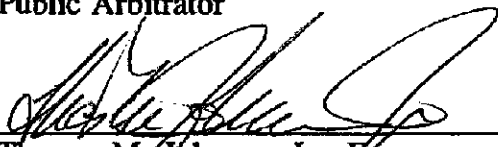
July 5, 2000
Signature Date

Thomas M. Johnson, Jr., Esq.
Thomas M. Johnson, Jr., Esq.
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

Winnie P. Pannell, Esq.
Public Arbitrator



Thomas M. Johnson, Jr., Esq.
Industry Arbitrator

Signature Date



Signature Date

Date of Service (For NASD office use only)