

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

First Union Securities Inc. (Claimant) v. Jon Letang and Pierre Kontani (Respondents).

Case Number: 00-00577/ 00-00582

Hearing Site: Houston, Texas.

REPRESENTATION OF PARTIES

Claimant First Union Securities, Inc. ("First Union") was represented by Diane C. Fischer, Esq., of the firm Kane & Fischer, Ltd. located in Chicago, Illinois.

Respondent Jon Letang ("Letang") of Spring, Texas represented himself.

Respondent Pierre Kontani ("Kontani") of Houston, Texas represented himself.

CASE INFORMATION

Statement of Claim filed on or about: February 18, 2000.

Claimant First Union signed the Uniform Submission Agreement: February 7, 2000.

Respondent Letang filed a Statement of Answer on or about: April 18, 2000.

Respondent, Letang signed the Uniform Submission Agreement: April 10, 2000.

CASE SUMMARY

Claimant First Union asserted the following cause of action: Breach of Employment Contract and failure to repay in promissory notes.

Respondent, Letang denied the allegation set forth in the Statement of Claim and asserted the following defenses:

1. As a result of Claimant's failure to honor its predecessor's promises and commitments, Respondent Jon Letang was constructively discharged;
2. It would be inequitable to enforce the loans because it would reward Claimant's misconduct.
3. Since the Note does not contain an assignment provision, Claimant is not a proper party in interest and cannot seek any recovery under the Note.
4. Respondent, Jon Letang's resignation was precipitated by the Claimant's employee's, hostile and inappropriate conduct.

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RELIEF REQUESTED

Claimant, First Union requested:

Compensatory Damages	\$ 319, 880.98
Punitive Damages	\$ 50,000.00
Interest	\$ 1,372.00
Attorneys' Fees	unspecified
Other Costs	unspecified

Respondents requested that all claims against them be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant submitted a Motion to Consolidate NASD-DR Arbitration No. 00-00577 with NASD-DR Arbitration No. 00-00582. Respondents, Letang and Koutani consented to Claimant's Motion to Consolidate on June 2, 2000. The cases were consolidated by NASD-DR on or about June of 2000.

Respondent Koutani filed for Bankruptcy in United States Bankruptcy Court, Southern District of Texas. Accordingly, the claim in arbitration against Koutani was stayed pursuant to the U. S. Bankruptcy Code.

AWARD

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

1. Respondent Jon Letang is liable for and shall pay to the Claimant First Union Securities the sum of two hundred and seven thousand nine hundred and eleven dollars and fifteen cents (\$207, 911.15).
2. Respondent Jon Letang is liable for and shall pay to the Claimant First Union Securities five thousand three hundred and twenty eight dollars and eighty-nine cents (\$5328.89).
3. Respondent Jon Letang is liable for and shall pay to the Claimant First Union Securities six thousand and eighty dollars (\$6,080.00) in attorneys' fees. In deciding to award attorneys' fees, the panel considered the arguments of the parties, as well as the pleadings filed on their behalf, and determined that the authority existed for an award of attorneys' fees to Claimant First Union Securities.

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4. Except as otherwise specified herein, each party shall bear its own costs.
5. Any and all relief not specifically addressed herein, 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 = \$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 firm is a party.

Member surcharge (# 00-00582)	= \$1,500.00
Member surcharge (#00- 00577)	= \$1,500.00
Pre-hearing process fee	= \$600.00
Hearing process fee	= \$2,500.00
Total Member Fees	= \$6,100.00

Forum Fees and Assessments

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

One (1) Pre-hearing session with Panel x \$1,125	= \$ 1,125.00
Pre-hearing conference: August 29, 2000	1 session
One (1) Hearing sessions x \$1,125	= \$ 1,125.00
Hearing Dates: May 22, 2001	1 session
Total Forum Fees	= \$ 2,250.00

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The panel has assessed \$1,125.00 of the forum fees to the Claimant First Union Securities.

The panel has assessed 1,125.00 of the forum fee to Respondent Jon Le Tang.

Fee Summary

1. Claimant, First Union Securities, be and hereby is solely liable for:

Member Fees	= \$ 6,100.00
Initial Filing Fee	= \$ 1,000.00
Forum Fees	= \$ 1,125.00
Total Fees	= \$ 8,225.00
Less payments	= \$ 6,725.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,500.00

2. Respondent, Jon Letang and Claimant First Union Securities be and hereby is solely liable for:

Forum Fees	= \$ 1,125.00
Total Fees	= \$ 1,125.00
Less payments	= \$ 0
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,125.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Timothy W. Kelley	-	Non-Public, Presiding Chair
Gregory E. Cater	-	Non-Public Arbitrator
Thomas W. Kelley	-	Non-Public Arbitrator

CONCURRING ARBITRATORS' SIGNATURES

 Timothy W. Kelley
 Non-Public Arbitrator, Presiding Chair

 Signature Date

 Gregory E. Cater
 Non-Public Arbitrator, Panelist

 Signature Date

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NASD REGULATION

2006

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Thomas W. Taylor
Non-Public Arbitrator, Panelist

Signature Date

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

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Gregory E. Cater
Thomas W. Kelley

- Non-Public, Presiding Chair
- Non-Public Arbitrator
- Non-Public Arbitrator

CONCURRING ARBITRATORS' SIGNATURES

Timothy W. Kelley
Timothy W. Kelley
Non-Public Arbitrator, Presiding Chair

8/23/01
Signature Date

Gregory E. Cater
Gregory E. Cater
Non-Public Arbitrator, Panelist

Signature Date

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NASD REGULATION

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Gregory E. Cater	-	Non-Public Arbitrator
Thomas W. Kelley	-	Non-Public Arbitrator

CONCURRING ARBITRATORS' SIGNATURES

Timothy W. Kelley
 Non-Public Arbitrator, Presiding Chair

 Gregory E. Cater
 Non-Public Arbitrator, Panelist

Signature Date

8/23/01

Signature Date

NASD Dispute Resolution, Inc.

Arbitration Case #: 00-00577 & 08-00582

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Thomas W. Taylor
Non-Public Arbitrator, Panelist

Aug 31, 2001
Signature Date

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

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