

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:
Janney Montgomery Scott, Inc., Claimant v. Neil Fineman, Respondent

Case Number: 00-0782

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For Claimant:

Lionel G. Hest, Esq.
Fulbright & Jaworski L.L.P.
666 Fifth Avenue
New York, NY 10103

For Respondent:

Anthony Paduano, Esq.
Smith Campbell & Paduano
One Whitehall Street
New York, NY 10004
until his withdrawal of
counsel on January 17, 2002.
Thereafter, Respondent
appeared pro se.

CASE INFORMATION

Statement of Claim filed: February 22, 2000.

Claimant's Uniform Submission Agreement signed: February 8, 2000.

Amended Statement of Claim filed: August 25, 2000.

Statement of Answer and Counterclaim filed by Respondent Neil Fineman: June 16, 2000.

Statement of Answer to Amended Statement of Claim and Counterclaim filed: July 24, 2000.

Respondent's Uniform Submission Agreement signed: June 13, 2000.

Claimant's Reply to Counterclaim filed: August 29, 2000.

CASE SUMMARY

Claimant asserted the following: In connection with Respondent's employment with Claimant, Respondent defaulted on the Promissory Note which was payable to Claimant.

Respondent denied the allegations of wrongdoing set forth in Claimant's Statement of Claim and asserted various defenses.

Further, Respondent asserted the following in his counterclaim: 1) Claimant misrepresented and breached oral and written contractual promises it had made to Respondent; 2) Claimant made defamatory statements about Respondent to his former clients; and 3) Claimant tortiously interfered with Respondent's relationships with his former clients.

Claimant denied the allegations set forth in Respondent's counterclaim.

RELIEF REQUESTED

Claimant requested compensatory damages of \$350,680.00, plus interest, attorney's fees, costs and such other relief as is deemed just and proper. In addition, Claimant requested that all claims set forth in the counterclaim be dismissed in their entirety and requested payment of its attorney's fees as a sanction.

Respondent requested that all claims be dismissed in their entirety and that he be awarded unspecified compensatory and punitive damages, plus interest, attorney's fees, the costs of this proceeding and such other relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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, testimony, and evidence presented at the hearing, and the post-hearing submissions (if any), the undersigned arbitrators (the "Panel") decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent Fineman is liable and shall pay to Claimant the sum of \$328,880.16 as compensatory damages, which includes pre-judgment interest at the rate of four percent (4%) per annum from January 13, 2000 until January 31, 2002.
- 2) Respondent's counterclaim is dismissed in its entirety.
- 3) The parties shall bear their respective costs, including attorney's fees.
- 4) Any and all other requests for relief not specifically addressed herein are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. received or will collect the non-refundable filing fees for each claim as follows:

Initial claim filing fee	= \$ 1,000.00
Counterclaim filing fee	= \$ 250.00

Member Fees

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

Member Surcharge	= \$ 1,500.00
Pre-Hearing Process Fee	= \$ 600.00
<u>Hearing Process Fee</u>	<u>= \$ 2,500.00</u>
Total Member Fees	= \$ 4,600.00

Adjournment Fees

The following adjournment fees are assessed:

June 13 through June 15, 2001, adjournment requested by Respondent	= \$ 1,125.00
October 31 through November 2, 2001, adjournment requested by Claimant	= \$ 1,125.00
January 29 through January 31, 2002, adjournment requested by Respondent. Adjournment request was denied by the Panel.	

Forum Fees and Assessments

The Panel assesses forum fee for each hearing 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 the Panel x \$ 1,125.00	= \$ 1,125.00
Pre-hearing conference: January 4, 2001	1 session
Four (4) Hearing sessions x \$1,125.00	= \$ 4,500.00
Hearing Dates: January 29, 2002	1 session
January 30, 2002	1 session
January 31, 2002	2 sessions
Total Forum Fees	= \$ 5,625.00

The Panel has assessed \$2,812.50 of the forum fees to Claimant.
The Panel has assessed \$2,812.50 of the forum fees to Respondent.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but are 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.

There were no administrative costs incurred during these proceedings.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 1,000.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 2,812.50
Member Fees	= \$ 4,600.00
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Total Fees	= \$ 9,537.50
<u>Less payments</u>	<u>= \$ 7,725.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,812.50

Respondent be and hereby is solely liable for:

Counterclaim Filing Fee	= \$ 250.00
Adjournment Fee	= \$ 1,125.00
Forum Fees	= \$ 2,812.50
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Total Fees	= \$ 4,187.50
<u>Less payments</u>	<u>= \$ 2,200.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$ 1,987.50

All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Gerald Olin
Jerry Desiderio
William McCullough

Chairperson, Non-Public Arbitrator
Non-Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/s/_____
Gerald Olin
Chairperson, Non-Public Arbitrator

Signature Date

_____/s/_____
William McCullough
Non-Public Arbitrator

Signature Date

_____/s/_____
Jerry Desiderio
Non-Public Arbitrator

Signature Date

March 12, 2002
Date of Service

NASD Dispute Resolution, Inc.
Arbitration No. 00-00782
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Concurring Arbitrators' Signatures



Gerald Olin
Chairperson, Non-Public Arbitrator

3/11/02
Signature Date

William McCullough
Non-Public Arbitrator

Signature Date

Jerry Desiderio
Non-Public Arbitrator

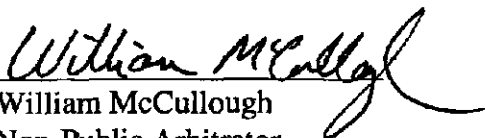
Signature Date

Date of Service

Concurring Arbitrators' Signatures

Gerald Olin
Chairperson, Non-Public Arbitrator

Signature Date


William McCullough
Non-Public Arbitrator

3-7-02
Signature Date

Jerry Desiderio
Non-Public Arbitrator

Signature Date

Date of Service

NASD Dispute Resolution, Inc.

Arbitration No. 00-C0782

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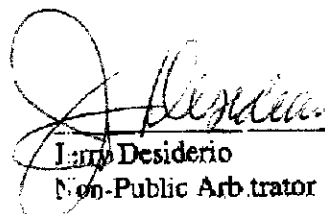
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Gerald Olin
Chairperson, Non-Public Arbitrator

Signature Date

William McCullough
Non-Public Arbitrator

Signature Date



Lino Desiderio
Non-Public Arbitrator

3/7/02
Signature Date

Date of Service