

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Tullett & Tokyo Liberty Securities, Inc., (Claimant) vs. Credit Research & Trading, LLC,
(Respondent)

Case Number: 00-03417

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Tullett & Tokyo Liberty Securities, Inc., hereinafter referred to as "Claimant":
Jeffrey Plotkin, Esq., Eiseman Levine Lehrhaupt & Kakoyiannis, New York, NY.

Respondent, Credit Research & Trading, LLC, hereinafter referred to as "Respondent":
Scott D. Stechman, Esq., Lehman & Eilen LLP, Uniondale, NY.

CASE INFORMATION

Statement of Claim filed on or about: August 7, 2000.

Claimant signed the Uniform Submission Agreement: August 7, 2000.

Statement of Answer filed by Respondent on or about: November 30, 2000.

Respondent signed the Uniform Submission Agreement: November 16, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: failure and refusal to pay accrued interest on a convertible note; breach of contract; promissory estoppel; and unjust enrichment. Claimant's claim involved Read-Rite Corp. 10% Convertible Subordinated Notes ("Read-Rite Notes").

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a claim upon which relief can be granted; Claimant's claims are barred by its unclean hands; Claimant's claims are barred by the doctrines of ratification and estoppel; no enforceable contract was formed between the parties for the sale of the Read-Rite Notes with accrued interest due to the existence of a mutual mistake of fact relating to a material element thereof; and no enforceable contract between the parties was ever formed for the sale of Read-Rite Notes with accrued interest, as opposed to "flat " in accordance with NASD custom.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$53,750.00, plus prejudgment interest at the New York statutory rate of 9% from July 25, 2000 to the date of the Award, plus the costs of this action.

Respondent requested an Award:

- a. Dismissing the Statement of Claim in its entirety, with prejudice;
- b. Awarding Respondent its fees, costs, and disbursements, including reasonable attorneys' fees, incurred in defending this arbitration; and
- c. Granting Respondent such other and further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are hereby dismissed in their entirety.
2. All other requests for relief are hereby 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
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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 to the dispute. In this matter, Tullett & Tokyo Liberty Securities, Inc. and Credit Research & Trading, LLC are parties.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

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 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 \$750.00	= \$ 750.00
Pre-hearing conference: May 14, 2001	1 session
Two (2) Hearing sessions x \$750.00	= \$1,500.00
Hearing Date: May 29, 2002	2 sessions
Total Forum Fees	= \$2,250.00

The Panel has assessed all of the forum fees against Claimant.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$3,100.00
<u>Forum Fees</u>	= \$2,250.00
Total Fees	= \$6,350.00
<u>Less payments</u>	= \$4,850.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,500.00

3. Respondent be and hereby is solely liable for:

<u>Member Fees</u>	= \$3,100.00
Total Fees	= \$3,100.00
<u>Less payments</u>	= \$3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

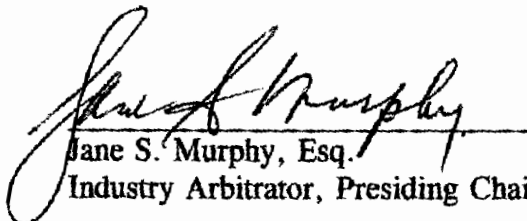
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Jane S. Murphy, Esq.	-	Industry Arbitrator, Presiding Chair
Matthew Loguercio	-	Industry Arbitrator
Doran M. Young	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Jane S. Murphy, Esq.
Industry Arbitrator, Presiding Chair

6/13/02

Signature Date

Matthew Loguercio
Industry Arbitrator

Signature Date

Doran M. Young
Industry Arbitrator

Signature Date

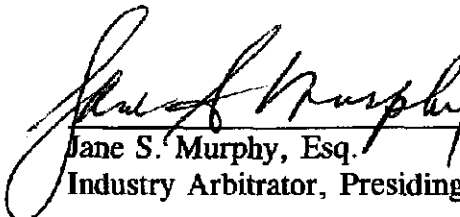
June 18, 2002
Date of Service (For NASD office use only)

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