

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Ermin Sallmen

and

00-04162
Troy, Michigan

Russo Securities, Inc.
Ferdinand Russo a/k/a Fred Russo, and
William G. Brown

REPRESENTATION OF PARTIES

Ermin Sallmen ("Claimant") was represented by Anthony V. Trogan, Esq., West Bloomfield, Michigan.

Russo Securities, Inc. ("RSI") and Ferdinand Russo a/k/a Fred Russo ("Russo"), hereinafter referred to as "the Russo Respondents" were represented by Fred Russo, Russo Securities, Inc., Staten Island, New York. The Russo Respondents did not appear at the hearing. The Russo Respondents were represented by Marc S. Gottlieb, Esq., New York, New York, until on or about September 6, 2001.

William G. Brown ("Brown") was represented by Jerome Olitt, Arbitration and Mediation Specialists, Inc., Stamford, Connecticut.

CASE INFORMATION

The Statement of Claim was filed on or about September 18, 2000. The Submission Agreement of Claimant Ermin Sallmen was signed on September 14, 2000.

Statement of Answer was filed jointly by Respondent Russo Securities, Inc., and Respondent Ferdinand Russo a/k/a Fred Russo on or about January 2, 2001. The Submission Agreement of Respondent Russo Securities, Inc. was signed on January 16, 2001, by Fred Russo. The Submission Agreement of Respondent Ferdinand Russo a/k/a Fred Russo was signed on January 16, 2001.

Statement of Answer was filed by Respondent William G. Brown on or about November 8, 2001. The Submission Agreement of Respondent William G. Brown was signed on November 8, 2001.

Respondent Russo filed a Statement of Answer and Motion to Dismiss as Improper Party in addition to a Request to Appear by Telephone on or about February 20, 2002.

Claimant filed a Response to Respondent Russo's Motion to Dismiss on or about March 4, 2002.

CASE SUMMARY

Claimant asserted the following legal theories: Breach of contract, Common law fraud;

Conspiracy; Promissory estoppel; Conversion; Negligence; Malpractice; Breach of fiduciary duty; Breach of Michigan Securities law, Violation of Michigan Consumer's Protection law. The causes of action relate to the alleged failure to sell Claimant's shares in Charter Communications, Inc. and World Diagnostics stocks.

Unless specifically admitted in their Answer, the Russo Respondents denied the allegations made in the Statement of Claim and asserted defenses including the following: At all times, Respondents utilized a sufficient degree of reasonable care under the circumstances surrounding the transactions at that time; and Respondents discharged their responsibilities in an ethical and professional manner and all of their actions were within the parameters of accepted brokerage procedure, and all exchange and government regulations.

RELIEF REQUESTED

Claimant requested an award in the amount of approximately \$23,000.00 in out-of-pocket losses, plus interest, costs, attorney fees, exemplary and punitive damages, additional damages as allowed by the panel, and rescission. At hearing, Claimant deducted the settlement amount from his original relief request, and requested an award of \$11,161.00, plus costs and attorney fees from the remaining Respondents.

The Russo Respondents requested that the Statement of Claim be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondent Russo Securities, Inc. and Ferdinand Russo a/k/a Fred Russo have been properly served with the Statement of Claim pursuant to Rule 10302 and Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondent Russo Securities, Inc. and Ferdinand Russo a/k/a Fred Russo had received due notice of the hearing as required under Rule 10315 of the Code and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

The Arbitrator denied Respondent Russo's Motion to Dismiss and Request to Appear by Telephone on or about March 8, 2002.

Claimant settled with Respondent Brown on or about March 11, 2002. The Panel did not adjudicate any claims against Respondent Brown.

AWARD

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

- 1.) Respondents, Russo Securities, Inc. and Ferdinand Russo a/k/a Fred

Russo, are jointly and severally liable for and shall pay to Claimant, Ermin Sallmen, the sum of \$11,161.00 in compensatory damages;

- 2.) Respondents, Russo Securities, Inc. and Ferdinand Russo a/k/a Fred Russo, are jointly and severally liable for and shall pay to Claimant, Ermin Sallmen, the sum of \$3,300.00 in attorneys fees pursuant to MCLA 451.810 and common law;
- 3.) Respondents Russo Securities, Inc. and Ferdinand Russo a/k/a Fred Russo are jointly and severally liable for and shall pay to Claimant, Ermin Sallmen, the sum of \$125.00 in costs;
- 4.) That other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter;
- 5.) That any relief not specifically enumerated, including exemplary and punitive damages, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 125.00

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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is Russo Securities, Inc.

Member surcharge = \$ 400.00

Adjournment Fees

Adjournments requested during these proceedings:

September 11, 2001, adjournment by the Russo Respondents = \$ 450.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing 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:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: March 6, 2001 1 session

One (1) Hearing session x \$450.00 = \$450.00
Hearing Date: March 12, 2002 1 session
Total Forum Fees = \$ 900.00

The Arbitration Panel has assessed \$900.00 of the forum fees jointly and severally to Russo Securities, Inc. and Ferdinand Russo a/k/a Fred Russo.

Fee Summary

Claimant, Ermin Sallmen, is liable for:

Initial Filing Fee	= \$ 125.00
Total Fees	= \$ 125.00
Less payments	= \$ 575.00
Balance refunded by NASD Dispute Resolution, Inc.	= \$ 450.00

Respondent, Russo Securities, Inc., is liable for:

Member Fees	= \$ 400.00
Total Fees	= \$ 400.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 400.00

Respondents, Russo Securities, Inc. and Ferdinand Russo a/k/a Fred Russo, are jointly and severally liable for:

Adjournment Fee	= \$ 450.00
Forum Fees	= \$ 900.00
Total Fees	= \$1,350.00
Less payments	= \$ 450.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 900.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

David L. Rosenthal - Public Arbitrator, Presiding Chair

Concurring Arbitrator:

/s/ David L. Rosenthal
David L. Rosenthal
Public Arbitrator, Presiding Chair

03/15/02
Signature Date

03/18/02
Date of Service (For NASD office use only)

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ARBITRATION PANEL

David L. Rosenthal - Public Arbitrator, Presiding Chair

Concurring Arbitrator:


David L. Rosenthal
Public Arbitrator, Presiding Chair

MARCH 15, 2002
Signature Date

Date of Service (For NASD office use only)