

Stipulated Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Ronald Allan Furst, Claimant vs. Hobbs Melville Securities Corp., Respondent

Case Number: 00-05202

Hearing Site: New York, NY

REPRESENTATION OF PARTIES

Claimant, Ronald Allan Furst, hereinafter referred to as "Claimant": Zevi Schizer, Esq., Schizer and Schizer, New York, NY.

Respondent, Hobbs Melville Securities Corp., hereinafter referred to as "Respondent": James A. Carrazza, Chief Executive Officer, Hobbs Melville Securities Corp., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: November 17, 2000.

Claimant signed the Uniform Submission Agreement: November 17, 2000.

Respondent did not file a Statement of Answer or sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: Employment related libel and slander on Claimant's Form U-5 Amendment dated January 7, 2000.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$3,000,000.00, punitive damages in the amount of \$9,000,000.00, expunging of the false and defamatory Form U-5 Amendment dated January 7, 2000 from the CRD record, attorney's fees, costs and such other and further relief as the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

James A. Carrazza, Chief Executive Officer of Respondent, participated in the telephone initial pre-hearing conference in order to relay information to John M. D'Arecca, the contact person listed in the CRD system for Respondent. Subsequently, James A. Carrazza appeared at the hearing and advised that he was representing the Respondent.

Claimant filed a motion for judgement by default on the issue of expunging from the records of the CRD the Form U-5. Claimant later withdrew his motion.

Respondent did not file with NASD Dispute Resolution, Inc. a properly executed submission to arbitration but is required to submit to arbitration pursuant to the NASD Code of Arbitration and, having appeared at the hearing, is bound by the determination of the Panel on all issues submitted.

The parties agreed to settle this matter and entered into a Stipulation which they requested be approved and entered by the Panel. The parties' Stipulation is incorporated into this Award as Exhibit A.

AWARD

Based upon the Stipulation of the parties, the Panel hereby orders as follows:

1. Due to the defamatory nature of the information in the CRD system, the Form U-5 Amendment filed by Respondent and dated January 7, 2000 pertaining to Ronald Allan Furst shall be expunged from the NASD CRD records.

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	= \$600.00
--------------------------	------------

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 the Respondent.

Member surcharge	= \$3,600.00
Pre-hearing Processing Fee	= \$ 600.00
Hearing Processing Fee	= \$5,000.00

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 \$1200.00	= \$1,200.00
Pre-hearing conference: April 19, 2001	1 session
One (1) Hearing sessions x \$1200.00	= \$1,200.00
Hearing Date: May 22, 2001	1 session
<hr/>	
Total Forum Fees	= \$2,400.00

1. The Panel has assessed \$2,400.00 of the Forum Fees against Respondent.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less payments</u>	<u>= \$1,800.00</u>
Refund Due Claimant	= \$1,200.00

3. Respondent be and hereby is solely liable for:

Member Fees	= \$ 9,200.00
<u>Forum Fees</u>	<u>= \$ 2,400.00</u>
Total Fees	= \$11,600.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution, Inc.	= \$11,600.00

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

ARBITRATION PANEL

Donald R. Bluth	-	Public Arbitrator, Chairperson
Burton M. Fendelman, Esq.	-	Industry Arbitrator
Jeanne C. Miller	-	Public Arbitrator

Concurring Arbitrators' Signature(s)

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.



Donald R. Bluth
Public Arbitrator, Chairperson

6/25/01
Signature Date

Burton M. Fendelman, Esq.
Industry Arbitrator

Signature Date

Jeanne C. Miller
Public Arbitrator

Signature Date

June 29, 2001

Date of Service (For NASD office use only)

ARBITRATION PANEL

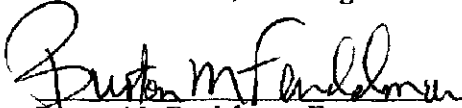
Donald R. Bluth	-	Public Arbitrator, Chairperson
Burton M. Fendelman, Esq.	-	Industry Arbitrator
Jeanne C. Miller	-	Public Arbitrator

Concurring Arbitrators' Signature(s)

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.

Donald R. Bluth
Public Arbitrator, Presiding Chair

Signature Date



Burton M. Fendelman, Esq.
Industry Arbitrator

June 20, 2001

Signature Date

Jeanne C. Miller
Public Arbitrator

Signature Date

June 29, 2001

Date of Service (For NASD office use only)

ARBITRATION PANEL

Donald R. Bluth	-	Public Arbitrator, Chairperson
Burton M. Fendelman, Esq.	-	Industry Arbitrator
Jeanne C. Miller	-	Public Arbitrator

Concurring Arbitrators' Signature(s)

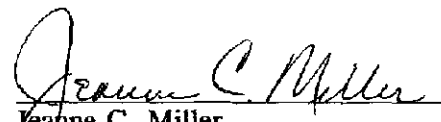
I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Donald R. Bluth
Public Arbitrator, Chairperson

Signature Date

Burton M. Fendelman, Esq.
Industry Arbitrator

Signature Date


Jeanne C. Miller
Public Arbitrator

6/22/01
Signature Date

June 29, 2001

Date of Service (For NASD office use only)

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

-----X
In the Matter of the Arbitration
Between RONALD ALLAN FURST,

Claimant,

Case No. 00-05202

- and -

STIPULATION OF SETTLEMENT

HOBBS MELVILLE SECURITIES CORP.,

Respondent.

-----X

WHEREAS, on or about November 21, 2000 Claimant, RONALD ALLAN FURST, commenced an arbitration against Respondent, HOBBS MELVILLE SECURITIES CORP., requesting that a Form U-5 Amendment dated January 7, 2000 filed by Respondent with respect to Claimant be expunged from the records of the Central Registration Depository ("CRD") and that Respondent pay to Claimant compensatory damage of not less than \$3,000,000 and punitive damages of not less than \$9,000,000; and

WHEREAS, Respondent has failed to answer the Statement of Claim herein but the undersigned, JAMES M. CARRAZZA, Chief Executive Officer of Respondent, did participate in the telephone initial pre-hearing conference on April 19, 2001 and did receive a copy of the papers submitted by Claimant in support of a motion for a default judgment herein to be heard by the Arbitration Panel on May 22, 2001; and

WHEREAS, the parties herein have agreed on a settlement of the dispute between them.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

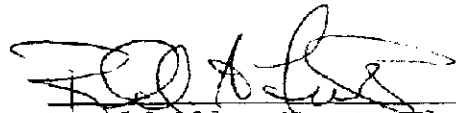
1. The Respondent agrees and consents that the Arbitration Panel render an award expunging the Form U-5 Amendment dated January 7, 2000 filed by it pertaining to Claimant from the records of the CRD.

2. The Respondent agrees to take any and all actions available to it to facilitate expunging from the records of the CRD the Form U-5 Amendment dated January 7, 2000 filed by it pertaining to the Claimant.

3. In consideration of the foregoing, the Claimant waives all claims for monetary damages in this proceeding and agrees to execute the General Release of Claims against Respondent and its associates in the form annexed hereto.

4. Both parties respectfully request the Arbitration Panel to render an award in accordance with this Stipulation.

Dated: May 22, 2001



Ronald Allan Furst, Claimant

HOBBS MELVILLE SECURITIES CORP.

By 

James M. Carrazza
Chief Executive Officer
100 Park Avenue, 28th Floor
New York, NY 10017
Tel. No. (212) 376-8876

GENERAL RELEASE OF CLAIMS

Know all persons by this document, that Ronald A. Furst, in consideration of the agreement of Hobbs Melville Securities Corporation (HMSC) to the attached Stipulation of Settlement, and its implementation, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the expunging from the records of the Central Registration Depository of the Form U-5 Amendment dated January 7, 2000 filed by HMSC pertaining to him, hereby remises, releases and forever discharges (HMSC), its officers, directors, agents, affiliates, representatives, predecessors, parents, successors, subsidiaries, and assigns (the Releasees) of and from all manner of actions, causes of actions, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, torts, damages, judgments, extents, executions, claims, and demands whatsoever of whatever kind or nature, whether absolute or contingent, in law, admiralty, in equity, in arbitration or other proceeding which he had, now has, or hereafter can, shall or may have for, upon reason of any matter, cause, information or thing whatsoever and wherever arising against the Releasees from the beginning of the world to the date of this release.

Except for a breach hereof or of the attached Stipulation of Settlement, Ronald A. Furst will not hereafter, in any action in law, in equity, in admiralty, in arbitration or other proceeding

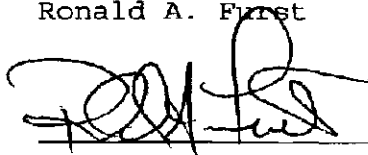
anywhere in the world, attempt to make or prosecute any claim, demand, cause of action or matter released hereunder against the Releasees. Except for breach of the Stipulation of Settlement, no action or inaction by the Releasees in the future, save and except an express written amendment or waiver of this Release, signed by a duly authorized representative of HMSC, shall be constructed as the basis for setting aside this Release or diminishing the extent or subject matter of this Release. The Release may be plead as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, arbitration, or other proceeding, which may be instituted, prosecuted or attempted in breach of this Release.

This Release shall inure to the benefit of and shall be binding upon the aforementioned parties and their respective officers, directors, agents, affiliates, representatives, predecessors, parents, subsidiaries, successors and assigns.

IN WITNESS WHEREOF, Ronald A. Furst has hereunto set his respective hand and seal on the 22nd day of May, 2001.

Name: Ronald A. Furst

Signature:

A handwritten signature in dark ink, appearing to read 'Ronald A. Furst', written over a horizontal line.

Dated: May 22, 2001