

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Robert Walton and Scott Hermo (Claimants) v. Nomura Securities International, Inc. and Alex Noujaim (Respondents)

Case Number: 00-05451

Hearing Site: New York, New York

Nature of the Dispute: Associated Persons vs. Member and Associated Person.

REPRESENTATION OF PARTIES

Claimants Robert Walton ("Walton") and Scott Hermo ("Hermo") hereinafter collectively referred to as "Claimants": Jeffrey L. Liddle, Esq. and Michael E. Grenert, Esq., Liddle & Robinson, LLP, New York, NY.

Respondents Nomura Securities International, Inc. ("NSI") and Alexander Noujaim ("Noujaim") hereinafter collectively referred to as "Respondents": Janet A. Broeckel, Esq., Pillsbury Winthrop, LLP, New York, NY. Previously represented by: Janet A. Broeckel, Esq., Dechert Price & Rhoads, New York, NY.

CASE INFORMATION

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

Amended Statement of Claim filed by Claimants on or about: April 2, 2001.

Reply to the Counterclaim of Respondents filed by Claimants on or about: May 30, 2001.

Letter Brief in Opposition to the Respondents' Motion to Dismiss Claimants' Defamation Claim filed by Claimants on or about: June 13, 2001.

Second Amended Statement of Claim filed by Claimants on or about: June 22, 2001.

Reply to Respondents' Second Amended Answer and Counterclaim filed by Claimants on or about: July 30, 2001.

Walton signed the Uniform Submission Agreement: December 7, 2000.

Hermo signed the Uniform Submission Agreement: December 7, 2000.

Joint Statement of Answer and Counterclaim filed by Respondents on or about: February 16, 2001.

Amended Answer and Counterclaim filed by Respondents on or about: May 2, 2001.

Motion to Dismiss the Defamation Claim of Claimants filed by Respondents on or about: May 2, 2001.

Second Amended Answer and Counterclaim filed by Respondents on or about: July 13, 2001.

Rebuttal to the Reply to Claimant's Reply to the Second Amended Answer and

Counterclaim filed by Respondents on or about: September 5, 2001.

Third Amended Answer and Counterclaim filed by Respondents on or about: May 31, 2002.

NSI signed the Uniform Submission Agreement: February 14, 2001.

Noujaim signed the Uniform Submission Agreement: February 14, 2001.

CASE SUMMARY

Claimants

In their Statement of Claim, Claimants asserted the following causes of action: breach of employment agreements; breach of implied covenant of good faith and fair dealing; failure to pay wages due; tortious interference; and quantum meruit.

In their Amended Statement of Claim, Claimants asserted the following causes of action: breach of employment agreements; breach of implied covenant of good faith and fair dealing; failure to pay wages due; tortious interference; quantum meruit; and defamation.

In their Second Amended Statement of Claim, Claimants asserted the following causes of action: breach of employment agreements; breach of implied covenant of good faith and fair dealing; failure to pay wages due; tortious interference; quantum meruit; defamation; and age discrimination.

In their Reply to the Counterclaim, Claimants asserted that the Counterclaim is without merit.

Respondents

Unless specifically admitted in their Answer and Counterclaim, Amended Answer and Counterclaim, and Second Amended Answer and Counterclaim, Respondents denied the allegations made in the Statement of Claim and Amended Statement of Claim and asserted the following cause of action in their Counterclaim: abuse of process.

Unless specifically admitted in their Third Amended Answer and Counterclaim, Respondents denied the allegations made in the Second Amended Statement of Claim and asserted the following causes of action in their Counterclaim: abuse of process and breach of employment agreement and NSI policy.

RELIEF REQUESTED

Walton requested compensatory damages in the amount of \$1,327,308.00, and Herno requested compensatory damages in the amount of \$764,597.00. In addition, Claimants requested punitive damages, liquidated damages, attorneys' fees, pre-award interest, costs, and any other relief the Panel deems just and proper. In their letter brief in

opposition to Respondents' Motion to Dismiss, Claimants requested that Respondents' Motion to Dismiss be denied.

Respondents requested that the Panel dismiss Claimants' claims and grant their Counterclaim and award them the costs of defense of this proceeding, including attorneys' fees, and any other relief the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The Panel heard testimony and oral arguments regarding Respondents' Motion to Dismiss the Claimants' defamation and age discrimination claims. After due deliberation, the Panel granted Respondents' motion and dismissed Claimants' claims for defamation and age discrimination.

Claimants made a Motion to Preclude Respondents' rebuttal witness. After due deliberation, the Panel denied Claimants' motion.

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, and 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. NSI is solely liable for and shall pay to Walton compensatory damages in the amount of \$81,250.00, representing unpaid salary, plus statutory interest from September 11, 2000, until payment of the award.
2. NSI is solely liable for and shall pay to Walton compensatory damages in the amount of \$300,000.00, representing bonus due, plus statutory interest from May 1, 2001, until payment of the award.
3. NSI is solely liable for and shall pay to Hermo compensatory damages in the amount of \$80,550.00, representing unpaid salary, plus statutory interest from July 19, 2000, through the date of payment of the award.
4. NSI is solely liable for and shall pay to Hermo compensatory damages in the amount of \$200,000.00, representing bonus due, plus statutory interest from May 1, 2001, until payment of the award.
5. Respondents' counterclaims are dismissed in their entirety.

6. Any and all relief not specifically addressed herein, including attorneys' fees and punitive damages, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$500.00
Counterclaim filing fee	= \$500.00

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. Accordingly, Nomura Securities International, Inc. is a party.

Member surcharge	= \$2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$4,500.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

October 29, 2002, adjournment by Claimants	= Waived
February 7 and 10, 2003, adjournment by Claimants	= Waived

Forum Fees and Assessments

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

One (1) Pre-hearing session with a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: January 16, 2003 1 session	
Two (2) Pre-hearing sessions with Panel @ \$1,200.00	= \$ 2,400.00
Pre-hearing conferences: December 19, 2001 1 session	
April 15, 2003 1 session	
Twenty-one (21) Hearing sessions @ \$1,200.00	= \$25,200.00
Hearing Dates: July 9, 2003 2 sessions	
July 10, 2003 2 sessions	
July 11, 2003 2 sessions	

July 28, 2003	2 sessions
August 4, 2003	2 sessions
August 5, 2003	2 sessions
September 2, 2003	2 sessions
October 9, 2003	2 sessions
November 24, 2003	2 sessions
December 8, 2003	1 session
December 15, 2003	2 sessions

Total Forum Fees	= \$28,050.00
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1. The Panel has assessed \$14,025.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$14,025.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants are jointly and severally liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$14,025.00
Total Fees	= \$14,525.00
Less payments	= \$ 1,700.00
Balance Due NASD Dispute Resolution	= \$12,825.00

2. NSI is solely liable for:

Member Fees	= \$ 7,600.00
Total Fees	= \$ 7,600.00
Less payments	= \$ 7,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Counterclaim Filing Fee	= \$ 500.00
Forum Fees	= \$14,025.00
Total Fees	= \$14,525.00
Less payments	= \$ 1,500.00
Balance Due NASD Dispute Resolution	= \$13,025.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL


Elizabeth B. Head, Esq.	-	Public Arbitrator, Presiding Chair
Diane Getzler, Esq.	-	Public Arbitrator
Terrence H. Fraser, Esq.	-	Public 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.

Elizabeth B. Head, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date



Diane Getzler, Esq.
Public Arbitrator



Signature Date

Terrence H. Fraser, Esq.
Public Arbitrator

Signature Date

January 14, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Elizabeth B. Head, Esq.	-	Public Arbitrator, Presiding Chair
Diane Getzler, Esq.	-	Public Arbitrator
Terrence H. Fraser, Esq.	-	Public 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.


Elizabeth B. Head, Esq.
Public Arbitrator, Presiding Chairperson

1/9/04
Signature Date

Diane Getzler, Esq.
Public Arbitrator

Signature Date

Terrence H. Fraser, Esq.
Public Arbitrator

Signature Date

January 14, 2004

Date of Service (For NASD Dispute Resolution use only)