

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Norton Herrick

Case No. 01-00208

Hearing Site: Boca Raton, Florida

Name of Respondent

Harris A. Shapiro

REPRESENTATION OF PARTIES

For Norton Herrick ("Herrick"), hereinafter referred to as "Claimant": David Richan, Blank Rome Tenzer Greenblatt LLP, New York, New York.

For Harris A. Shapiro ("Shapiro"), hereinafter referred to as "Respondent": David Foster, Wachtel and Masyr, LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: January 16, 2001.

Claimant signed the Uniform Submission Agreement: January 9, 2001.

Statement of Answer filed by Respondent on or about: May 23, 2001.

Respondent signed the Uniform Submission Agreement: March 27, 2001.

CASE SUMMARY

Claimant asserted the following: 1) Respondent breached his agreement with Claimant; and 2) Respondent breached his fiduciary duty to Claimant. The causes of action relate to the purchase and sale of various stocks in Claimant's account including the following: ELOT, LUMI, TTE, GEMS, PAGEE, QTEL, TEKS, OSIS, NXTL, ASTM, BRND, ISEE, EXLN, and GTLL.

Unless specifically admitted in his Answer, Respondent denied the allegations made in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimant requested compensatory damages of \$800,000.00, plus interest, punitive damages, and the costs of this proceeding.

Respondent requested that all claims against him be dismissed and such other and further relief as is deemed just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies.

AWARD

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

Respondent Shapiro is liable and shall pay to Claimant the sum of \$391,200.00 as compensatory damages, pre-judgment interest specifically excluded. Damages are awarded as a result of Respondent's breach of contract and breach of fiduciary duty.

Any and all other requests for relief not specifically addressed herein, including Claimant's request for punitive damages, are denied.

FEES

Pursuant to the NASD Code of Arbitration Procedure (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	= \$ 375.00
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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, the member firm, Gilford Securities, Inc., is the Respondent's former firm.

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

Adjournment Fees

Adjournments requested during these proceedings:

February 11 through February 13, 2002 Hearing Dates, adjournment by Respondent. Adjournment request was denied by the Panel.

Forum Fees and Assessments

The panel has the authority to assess 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 \$1,200.00	= \$1,200.00
Pre-hearing conference: September 20, 2001	1 session
Four (4) Hearing sessions x \$1,200.00	= \$4,800.00
Hearing Dates: February 11, 2002	2 sessions
February 12, 2002	2 sessions
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Total Forum Fees	= \$6,000.00

The panel has assessed the total forum fees of \$6,000.00 to Respondent Shapiro.

Administrative Costs

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

No administrative costs were incurred during these proceedings.

Fee Summary

Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 375.00
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Total Fees	= \$ 375.00
Less payments	= \$ 375.00
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Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

Respondent Shapiro be and hereby is solely liable for:

Forum Fees	= \$6,000.00
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Total Fees	= \$6,000.00
Less payments	= \$ 0.00
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Balance Due NASD Dispute Resolution, Inc.	= \$6,000.00

NASD Dispute Resolution, Inc.
Arbitration No. C1-00208
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Gilford Securities, Inc. be and hereby is solely liable for:

Member Fees = \$6,100.00

Total Fees = \$6,100.00

Less payments = \$6,100.00

Balance Due NASD Dispute Resolution, Inc. = \$ 0.00

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

Mark A. Buckstein, Esq.

Public Arbitrator, Presiding Chair

Michael J. Quarequio, Esq.

Public Arbitrator

Donald R. McGahan

Non-Public Arbitrator

Concurring Arbitrators' Signatures



Mark A. Buckstein, Esq.

Public Arbitrator, Presiding Chair

3/7/02

Signature Date

Michael J. Quarequio, Esq.

Public Arbitrator

Signature Date

Donald R. McGahan

Non-Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

NASD Dispute Resolution, Inc.
 Arbitration No. 01-00208
 Award Page 4

Gilford Securities, Inc. be and hereby is solely liable for:	= \$6,100.00
Member Fees	
Total Fees	= \$6,100.00
Less payments	= \$6,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

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Mark A. Buckstein, Esq.	-	Public Arbitrator, Presiding Chair
Michael J. Quarequio, Esq.	-	Public Arbitrator
Donald R. McGahan	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

Mark A. Buckstein, Esq.
 Public Arbitrator, Presiding Chair

Signature Date


 Michael J. Quarequio, Esq.
 Public Arbitrator

3/11/02
 Signature Date

Donald R. McGahan
 Non-Public Arbitrator

Signature Date

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NASD Dispute Resolution, Inc.
 Arbitration No. 01-00208
 Award Page 4

Gilford Securities, Inc. be and hereby is solely liable for:

Member Fees	= \$6,100.00
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Less payments	= \$6,100.00
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