

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Wexford Clearing Services Corporation and Prudential Securities, Inc., (Claimants) vs. Madison Capital Markets Corporation and Larry Zelin, (Respondents)

Case Number: 01-00372

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Wexford Clearing Services Corporation ("Wexford") and Prudential Securities, Inc. ("Prudential"), hereinafter collectively referred to as "Claimants": Joe Dolcimascolo Esq., Prudential Securities Inc., New York, NY and Joel E. Davidson, Esq., Law Offices of Joel E. Davidson, Park Ridge, NJ.

Respondent, Madison Capital Markets Corporation, ("Madison"): Edward Gurin, Madison Capital Markets, Corp., New York, NY.

Respondent, Larry Zelin: appeared *pro se*. Previously represented by Joel M. Wolosky, Esq., Bondy & Schloss LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: December 20, 2000.

Answer to Counterclaim filed on or about: June 18, 2001.

Claimant Wexford signed the Uniform Submission Agreement: January 11, 2001.

Claimant Prudential signed the Uniform Submission Agreement: January 11, 2001.

Statement of Answer and Counterclaim filed by Respondent Zelin on or about: May 31, 2001.

Respondent Zelin signed the Uniform Submission Agreement: May 31, 2001.

CASE SUMMARY

Claimants asserted the following causes of action: fraud; breach of fiduciary duty; negligence and gross negligence; misrepresentation; failure to supervise; acts and omissions; and, forgery.

Unless specifically admitted in its Answer, Respondent Zelin denied the allegations made in the Statement of Claim and asserted the following Counterclaim: breach of covenant of good faith and fair dealing; wrongful possession of funds; unjust enrichment; breach of fiduciary duty; and wrongful conduct.

RELIEF REQUESTED

Claimant Wexford requested against Madison Capital and Zelin, jointly and severally, in the amount of \$984,500.00 plus interest at the rate of 9%, attorney's fees and related expenses; b) a declaratory judgment granting a lien on the proceeds of Madison Capital's insurance with respect to the foregoing matters in favor of Wexford; c) an order directing Madison Capital to assign its rights in the proceeds of the AIG/National Union policies to Wexford; and d) an order permitting Wexford to retain the \$423,000 in the Madison Capital account as a partial offset to any unpaid amounts due to Wexford with respect to the Cuddeback and Sumitomo claims asserted herein and 3) for such other and further relief as the panel may deem just and equitable.

Respondent Zelin requested that Claimant's claims be denied in its entirety and, in its Counterclaim, requested compensatory damages in the amount of \$7,600,000.00 and punitive damages in the amount of \$5,000,000.00.

AWARD

By letter dated September 26, 2002, Claimants withdrew their claim against the Respondents and requested that their claim be removed from NASD-DR's docket.

By letter dated October 21, 2002, the Panel requested that Respondent Zelin confirm, in writing, as to the status of his Counterclaim. Said response was due by November 4, 2002. Having not received a response, the Panel determined to dismiss, without prejudice, Respondent Zelin's Counterclaim.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Madison Capital Markets Corporation did not file a properly executed submission agreement or a Statement of Answer in this matter.

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	= \$1,250.00
Counterclaim 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 at the time of the events giving rise to the dispute. In this matter, the member firms Prudential Securities and Wexford Clearing Services Corporation are parties.

Prudential Securities:

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

Wexford Clearing Services Corporation

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

Fee Summary

1. Claimant Prudential is solely liable for:

<u>Member Fees</u>	= \$2,600.00
<u>Total Fees</u>	= \$2,600.00
<u>Less payments</u>	= \$3,800.00
Refund due to Prudential	= \$1,200.00

2. Claimant Wexford is solely liable for:

<u>Member Fees</u>	= \$2,600.00
<u>Total Fees</u>	= \$2,600.00
<u>Less payments</u>	= \$2,600.00
Balance Due to NASD Dispute Resolution	= \$ 0.00

3. Claimants Prudential and Wexford are jointly and severally liable for:

<u>Initial Filing Fee</u>	= \$1,250.00
Balance Due NASD Dispute Resolution	= \$ 0.00

4. Respondent Zelin is solely liable for:

<u>Counterclaim Filing Fee</u>	= \$ 600.00
<u>Total Fees</u>	= \$ 600.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 600.00

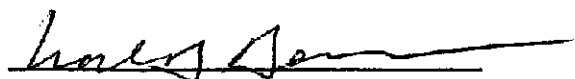
All balances are payable to NASD Dispute Resolution, and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Noel B. Berman, Esq.	-	Public Arbitrator, Presiding Chair
Susan E. Harkins, Esq.	-	Non-Public Arbitrator
Mary Lou McGanney, Ph. D	-	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 Final Order.



Noel B. Berman, Esq.
Public Arbitrator, Presiding Chair

3/25/03
Signature Date

Susan E. Harkins, Esq.
Non-Public Arbitrator

Signature Date

Mary Lou McGanney, Ph. D
Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

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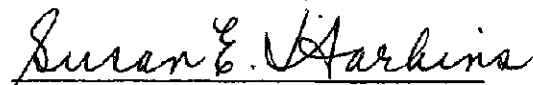
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Signature Date



Susan E. Harkins, Esq.
Non-Public Arbitrator

Signature Date

Mary Lou McGanney, Ph. D
Public Arbitrator

Signature Date

April 11, 2003

Date of Service (For NASD Dispute Resolution use only)