

AWARD
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Norman H. Leslie and Robert A. Leslie

and

01-01593
Minneapolis, Minnesota

Name of Respondents

Auerbach, Pollack & Richardson Inc.
Michael Terzo

REPRESENTATION OF PARTIES

Norman H. Leslie and Robert A. Leslie ("**Claimants**") were represented by Sidney J. Spaeth, Esq., Vogel Law Firm, Fargo, North Dakota.

Auerbach, Pollack & Richardson Inc. ("**Respondent Auerbach**") was represented by Robert Stein, Esq., Stein, Riso and Mantel, New York, New York.

Michael Terzo ("**Respondent Terzo**") appeared pro se.

CASE INFORMATION

The Statement of Claim was filed on or about March 30, 2001. Motion to Bar Any Matter, Arguments, or Defenses was filed on or about June 4, 2001. Submission Agreement of Claimant Norman H. Leslie and Robert A. Leslie was signed on February 12, 2001.

Respondent Auerbach, Pollack & Richardson Inc. did not file a responsive pleading.

Respondent Michael Terzo did not file a responsive pleading.

CASE SUMMARY

Claimants alleged that Respondent Terzo, a registered representative at Respondent Auerbach, Pollack & Richardson Inc., made unauthorized purchases of shares of Internet Capital Group, Inc. stock in each of their accounts.

RELIEF REQUESTED

In the statement of Claim, Claimants requested an award as follows:

1. An Order compelling respondents to restore claimants' accounts to the status they were in prior to the unauthorized trades, including the unfreezing of those accounts;
2. Damages in an amount to be proven at the hearing, but in an amount presently estimated at approximately \$70,000, plus commissions and interest;
3. That claimants be awarded their filing fee, session fees and any other costs incurred in bringing this action;
4. That claimants be awarded their reasonable attorneys' fees pursuant to N.D.C.C. §10-04-17;
5. An Order that respondents – and each of them – are jointly and severally liable to claimants for the monetary damages; and
6. Such other and further relief as may be just and equitable in the circumstances.

In affidavits submitted by Claimants prior to the hearing, they requested relief as follows:

Norman H. Leslie:

1. Compensatory damages in the amount of \$28,908.76;
2. Interest in the amount of \$2,676.71;
3. Reimbursement of margin interest in the amount of \$1,493.55; and
4. Attorneys' fees in the amount of \$3,772.

Robert A. Leslie:

1. Compensatory damages in the amount of \$36,691.80;
2. Interest in the amount of \$2,804.65;
3. Reimbursement of margin interest in the amount of \$2,201.70; and
4. Attorneys' fees in the amount of \$3,772.

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 Respondents Auerbach, Pollack & Richardson Inc. and Michael Terzo had been properly served with the Statement of Claim pursuant to Rule 10314 of the NASD Code of Arbitration Procedure (the "Code"). The undersigned arbitrators have also determined that Respondents Auerbach, Pollack & Richardson Inc. and Michael Terzo 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.

Respondents Auerbach, Pollack & Richardson Inc. and Michael Terzo did not file with the NASD Dispute Resolution, Inc. properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the NASD Code of Arbitration Procedure (the "Code") and having appeared at the hearing are bound by the determination of the arbitration panel on all issues submitted.

On November 30, 2001, a telephonic hearing session was conducted on Claimants' Motion to Bar. Neither Respondent participated in the telephonic conference call. After hearing argument presented on behalf of the Claimants, the Arbitration Panel granted the Motion to Bar and scheduled a hearing to be conducted telephonically on January 3, 2002.

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. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution, Inc. (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the post-hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents Auerbach, Pollack & Richardson Inc. and Michael Terzo shall be and hereby are jointly and severally liable for and shall pay to Claimant Norman H. Leslie the sum of \$28,908.76 (**Twenty Eight Thousand Nine Hundred Eight Dollars and Seventy Six Cents**) as compensatory damages.
2. Respondent Auerbach, Pollack & Richardson Inc. shall be and hereby is liable for and shall pay to Claimant Norman H. Leslie the additional sum of \$1,493.55 (**One Thousand Four Hundred Ninety Three Dollars and Fifty Five Cents**) as compensatory damages.
3. Respondent Auerbach, Pollack & Richardson Inc. shall be and hereby is liable for and shall pay to Claimant Norman H. Leslie the sum of \$2,209.73 (**Two Thousand Two Hundred Nine Dollars and Seventy Three Cents**) as pre-award interest.
4. Respondent Auerbach, Pollack & Richardson Inc. shall be and hereby is liable for and shall pay to Claimant Norman H. Leslie the sum of \$3,772.00 (**Three Thousand Seven Hundred Seventy Two Dollars**) as attorneys' fees and costs.
5. Respondents Auerbach, Pollack & Richardson Inc. and Michael Terzo shall be and hereby are jointly and severally liable for and shall pay to Claimant Robert A. Leslie the sum of

\$36,691.80 (Thirty Six Thousand Six Hundred Ninety One Dollars and Eighty One Cents) as compensatory damages.

6. Respondent Auerbach, Pollack & Richardson Inc. shall be and hereby is liable for and shall pay to Claimant Robert A. Leslie the additional sum of \$2,201.70 (**Two Thousand Two Hundred One Dollars and Seventy Cents**) as compensatory damages.
7. Respondent Auerbach, Pollack & Richardson Inc. shall be and hereby is liable for and shall pay to Claimant Robert A. Leslie the sum of \$2,804.65 (**Two Thousand Eight Hundred Four Dollars and Sixty Five Cents**) as pre-award interest.
8. Respondent Auerbach, Pollack & Richardson Inc. shall be and hereby is liable for and shall pay to Claimant Robert A. Leslie the sum of \$3,772.00 (**Three Thousand Seven Hundred Seventy Two Dollars**) as attorneys' fees and costs.
9. Interest at the legal rate in the State of North Dakota is awarded on the above stated sums from and inclusive of January 18, 2002 to and inclusive of the date this award is paid.
10. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
11. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

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 = \$225.00

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 Auerbach, Pollack & Richardson Inc.

Member surcharge = \$1,000.00

Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

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(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$750.00	= \$1,500.00
Pre-hearing conferences: October 15, 2001 1 session	
November 30, 2001 1 session	
One (1) Hearing sessions x \$750.00	= \$ 750.00
Hearing Date: January 3, 2002 1 session	
Total Forum Fees	= \$2,250.00

The Arbitration Panel has assessed \$2,250.00 of the forum fees to Auerbach, Pollack & Richardson Inc.

Fee Summary

Claimants, Norman H. Leslie and Robert A. Leslie, shall be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 225.00
<u>Forum Fees</u>	= \$ 0.00
Total Fees	= \$ 225.00
<u>Less payments</u>	= \$ 975.00
Balance to be refunded by NASD Dispute Resolution, Inc.	= \$ 750.00

Respondent, Auerbach, Pollack & Richardson Inc., shall be and hereby is liable for:

Member Fees	= \$3,100.00
<u>Forum Fees</u>	= \$2,250.00
Total Fees	= \$5,350.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$5,350.00

All balances are due to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

Richard A. Mosman, Esq. - Public Arbitrator, Presiding Chair
Thomas J. Gmeinder, Esq. - Public Arbitrator
Wallace G. Hilke, Esq. - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Richard A. Mosman
Richard A. Mosman, Esq.
Public Arbitrator, Presiding Chair

February 4, 2002
Signature Date

/s/ Thomas J. Gmeinder
Thomas J. Gmeinder, Esq.
Public Arbitrator

January 29, 2002
Signature Date

/s/ Wallace G. Hilke
Wallace G. Hilke, Esq.
Non-Public Arbitrator

January 29, 2002
Signature Date

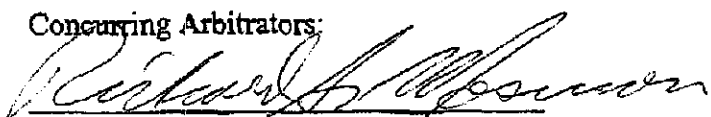
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Richard A. Mosman, Esq.
Public Arbitrator, Presiding Chair


Signature Date

Thomas J. Gmeinder, Esq.
Public Arbitrator

Signature Date

Wallace G. Hilke, Esq.
Non-Public Arbitrator

Signature Date

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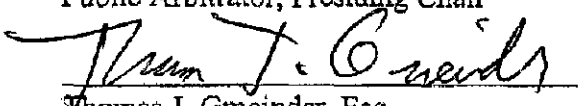
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Concurring Arbitrators:

Richard A. Mosman, Esq.
Public Arbitrator, Presiding Chair

Signature Date


Thomas J. Gmeinder, Esq.
Public Arbitrator

1-29-02
Signature Date

Wallace G. Hilke, Esq.
Non-Public Arbitrator

Signature Date

NASD Dispute Resolution, Inc.
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