

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Continental Broker-Dealer Corp., (Claimant) vs. Lee Shapiro, (Respondent)

Case Number: 01-02172

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Continental Broker-Dealer Corp., hereinafter referred to as "Claimant": Dominick Bianco, Executive Vice President and Chief Compliance Officer, Continental Broker-Dealer Corp., Carle Place, NY. Previously represented by: Liam O'Brien, Esq., Theodore A. Krebsbach & Associates, P.C., New York, NY.

Respondent, Lee Shapiro, hereinafter referred to as "Respondent", did not make an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: April 27, 2001.

Claimant signed the Uniform Submission Agreement: April 8, 2001.

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

CASE SUMMARY

Claimant asserted the following causes of action: breach of employment agreement and failure to repay loans and incentive compensation upon resignation.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$65,000.00, plus accrued interest, attorneys' fees, costs, and disbursements.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Respondent has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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 Code and is bound by the determination of the Panel on all issues submitted.

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, 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. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$65,000.00 as compensatory damages, plus interest at the rate of 8% accruing from February 22, 2001 until paid.
2. Respondent be and hereby is liable for and shall pay to Claimant the sum of \$2,465.65 as attorneys' fees. The Panel awarded attorneys' fees pursuant to the terms of the employment agreement signed by Respondent.
3. All other requests for relief are hereby denied.

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 | = \$1,000.00 |
|--------------------------|--------------|

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 person at the time of the events giving rise to the dispute. In this matter, Continental Broker-Dealer Corp. is a party.

| | |
|-------------------------|--------------|
| Member surcharge | = \$1,000.00 |
| Pre-hearing process fee | = \$ 600.00 |
| Hearing process fee | = \$1,500.00 |

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 \$750.00 | = \$ 750.00 |
| Pre-hearing conference: January 8, 2002 | 1 session |

| | |
|------------------------------------|-------------|
| One (1) Hearing session x \$750.00 | = \$ 750.00 |
|------------------------------------|-------------|

| | |
|---------------------------------|--------------|
| Hearing Date: February 13, 2002 | 1 session |
| Total Forum Fees | = \$1,500.00 |

1. The Panel has assessed \$750.00 of the forum fees against Claimant.
2. The Panel has assessed \$750.00 of the forum fees against Respondent.

Fee Summary

1. Claimant be and hereby is solely liable for:

| | |
|---|--------------|
| Initial Filing Fee | = \$1,000.00 |
| Member Fees | = \$3,100.00 |
| Forum Fees | = \$ 750.00 |
| Total Fees | = \$4,850.00 |
| Less payments | = \$1,750.00 |
| Balance Due NASD Dispute Resolution, Inc. | = \$3,100.00 |

2. Respondent be and hereby is solely liable for:

| | |
|---|-------------|
| Forum Fees | = \$ 750.00 |
| Total Fees | = \$ 750.00 |
| Less payments | = \$ 0.00 |
| Balance Due NASD Dispute Resolution, Inc. | = \$ 750.00 |

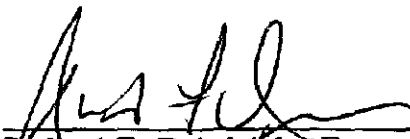
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

| | | |
|-----------------------------|---|-------------------------------------|
| Richard F. Dziedziula, Esq. | - | Industry Arbitrator Presiding Chair |
| John E. Shine | - | Industry Arbitrator |
| Joseph N. Stineman | - | Industry 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.



Richard F. Dziedziula, Esq.
Industry Arbitrator, Presiding Chair

2/28/02

Signature Date

John E. Shine
Industry Arbitrator

Signature Date

Joseph N. Stineman
Industry Arbitrator

Signature Date

March 18, 2002
Date of Service (For NASD office use only)

ARBITRATION PANEL

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| John E. Shine | - | Industry Arbitrator |
| Joseph N. Stineman | - | Industry Arbitrator |

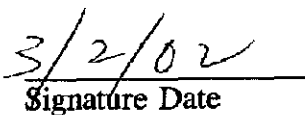
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I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Richard F. Dziedziula, Esq.
Industry Arbitrator, Presiding Chair

Signature Date


John E. Shine
Industry Arbitrator


Signature Date

Joseph N. Stineman
Industry Arbitrator

Signature Date

March 18, 2002
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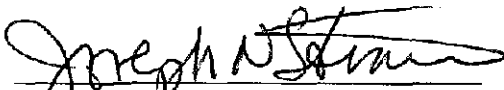
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Richard F. Dziedziula, Esq.
Industry Arbitrator, Presiding Chair

Signature Date

John E. Shine
Industry Arbitrator

Signature Date


Joseph N. Stineman
Industry Arbitrator

3/11/2002
Signature Date

March 18, 2002
Date of Service (For NASD office use only)