

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

First Montauk Securities Corp. (Claimant) vs. Rafael Febus (Respondent)

Case Number: 02-04615

Hearing Site: New York, NY

REPRESENTATION OF PARTIES

Claimant, First Montauk Securities Corp., hereinafter referred to as "Claimant": Paul A. Lieberman, Esq., First Montauk Securities Corp., Red Bank, NJ. Previously represented by Joel Levinson, Esq. Montauk Securities Corp., Red Bank, NJ.

Respondent, Rafael E. Febus, hereinafter referred to as "Respondent," did not make an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: August 12, 2002.

Claimant signed the Uniform Submission Agreement: August 5, 2002.

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 promissory note.

RELIEF REQUESTED

Claimant requested:

1. An award in favor of First Montauk in the amount of \$30,000.00 for the principal balance of the Promissory Note;
2. An award in favor of First Montauk in the amount of \$5,200.00 for the interest due on the Promissory Note;
3. The costs and disbursements of this arbitration proceeding, including attorneys' fees as agreed to under the terms of the Note.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing in this matter, Claimant amended its request for damages from \$30,000.00 to \$25,000.00.

Respondent did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and is bound by the determination of the Arbitrator on all issues submitted.

Upon review of the file and the representations made on behalf of the Claimant, the undersigned Arbitrator 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 said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

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 Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent is liable for and shall pay to Claimant \$12,500 as compensatory damages.
2. Respondent is liable for and shall pay to Claimant interest at the rate of 8% per annum on the face amount of the note, \$25,000.00, accruing from June 1, 2000 through December 1, 2001.
3. Any relief not specifically addressed herein, including 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	= \$1,000.00
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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 firm that employed the associated person at the time of the events giving rise to the dispute. Accordingly, First Montauk Securities Corporation is a party.

Member surcharge	= \$ 600.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,000.00

Forum Fees and Assessments

The Arbitrator has assessed forum fees for each session conducted. A session is any meeting between the parties and the arbitrator, including a pre-hearing conference with the arbitrator, 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: February 11, 2003 1 session	

One (1) Hearing session @ \$450.00	= \$450.00
Hearing Date: July 29, 2003 1 session	

Total Forum Fees	= \$900.00
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1. The Panel has assessed \$450.00 of the forum fees against Claimant.
2. The Panel has assessed \$450.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$1,000.00
Member Fees	= \$2,350.00
<u>Forum Fees</u>	<u>= \$ 450.00</u>
Total Fees	= \$3,800.00
<u>Less payments</u>	<u>= \$2,800.00</u>
Balance due to NASD	= \$1,000.00

2. Respondent solely liable for:

<u>Forum Fees</u>	<u>= \$ 450.00</u>
Total Fees	= \$ 450.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Dispute Resolution	= \$ 450.00

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

ARBITRATION PANEL

Allen I. Cederbaum - Non-Public Arbitrator, Presiding Chair

Concurring Arbitrator's Signature

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 in which is my award.

Allen I. Cederbaum
Allen I. Cederbaum
Non-Public Arbitrator, Presiding Chairperson

09-08-03
Signature Date

September 11, 2003

Date of Service (For NASD Dispute Resolution use only)