

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant

Case Number: 02-04640

Scott Alan Rubin

Names of the Respondents

Hearing Site: Boca Raton, Florida

Prime Charter Limited, Inc.,
Fahnestock, Inc., Luis
Alexander Sanchez,
Steven Schwartz and John Does

REPRESENTATION OF PARTIES

For Scott Alan Rubin, hereinafter referred to as "Claimant": Gerald Rubin, Esq., Law Offices of Gerald Rubin, P.C., Newark, New Jersey until his withdrawal of counsel on or about July 24, 2003. Thereafter, Claimant was represented by Alan Bryce Grossman, Alan Bryce Grossman, P.A., Ft. Lauderdale, Florida.

For Prime Charter Limited, Inc. ("Prime Charter"), Fahnestock, Inc. ("Fahnestock"), Luis Alexander Sanchez ("Sanchez") and Steven Schwartz ("Schwartz"), hereinafter collectively referred to as "Respondents": Evelyn Bukchin, Counsel, and Eric J. Shames, General Counsel, Prime Charter, Limited, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on or about: August 7, 2002.

Claimant signed the Uniform Submission Agreement: September 1, 2002.

Motion to Dismiss, Statement of Answer and Counterclaim filed by Respondents on or about: January 8, 2003.

Respondent Fahnestock signed the Uniform Submission Agreement: September 18, 2002.

Respondent Prime Charter signed the Uniform Submission Agreement: January 9, 2003.

Respondents Sanchez and Schwartz did not file executed Uniform Submission Agreements.

Motion to Dismiss filed by Respondent Fahnestock on or about: January 7, 2003.

Motion to Dismiss the Counterclaim filed by Claimant on or about: February 10, 2003.

Response to Respondents' Motion to Dismiss filed by Claimant on or about: February 10, 2003.

Response to Respondent Fahnestock's Motion to Dismiss filed by Claimant on or about: February 10, 2003.

Statement of Reply to Counterclaim filed by Claimant on or about: February 11, 2003.

Opposition to Claimant's Motion to Dismiss Counterclaim filed by Respondents on or about: March 11, 2003.

Reply to Opposition to Claimant's Motion to Dismiss Counterclaim filed by Claimant on or about: March 13, 2003.

Response to Reply to Opposition to Claimant's Motion to Dismiss Counterclaim filed by Respondents on or about: March 13, 2003.

Reply to Response to Reply to Opposition to Claimant's Motion to Dismiss Counterclaim filed by Claimant on or about: March 14, 2003.

Motion to Stay filed by Claimant on or about: June 17, 2003.

Respondents' Opposition to Claimant's Motion to Stay filed on or about: July 10, 2003.

Motion for Reconsideration of Motion to Stay and Motion for Continuance of Hearing Dates filed by Claimant on or about: July 24, 2003.

Opposition to Motion for Reconsideration of Motion to Stay and Motion for Continuance of Hearing Dates filed by Respondents on or about: July 29, 2003.

Response to Opposition to Motion for Reconsideration of Motion to Stay and Motion for Continuance of Hearing Dates filed by Claimant on or about: July 31, 2003.

Reply to Response to Opposition to Motion for Reconsideration of Motion to Stay and Motion for Continuance of Hearing Dates filed by Respondents on or about: July 31, 2003.

Renewed Motion for Continuance filed by Claimant on or about: August 7, 2003.

Response to Renewed Motion for Continuance filed by Respondents on or about: August 7, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: gross and willful negligence; incompetence; and, knowing and intentional failures of Respondents to comply with the rules and regulations of the NASD, SEC and other governmental authorities. The causes of action relate to Claimant's former employment with Respondent Prime Charter. In addition, Claimant denied the allegations contained in the Counterclaim, asserted various defenses and filed a motion to dismiss the counterclaim on the basis that defamatory material contained in a pleading is privileged, if relevant and pertinent to the issues, and will not support a civil action for defamation.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim, asserted various defenses and filed a motion to dismiss the Statement of Claim on the basis that it fails to state a claim upon which relief can be granted. In addition, Respondents asserted the following causes of action in their counterclaim: libel; defamation; and, breach of contract (promissory note).

Respondent Fahnestock asserted a motion to dismiss the Statement of Claim on the bases that it fails to raise a single allegation against Respondent Fahnestock, Claimant was never an employee of Respondent Fahnestock and the Statement of Claim fails to allege any successor liability against Respondent Fahnestock.

In response to Respondents' Motion to Dismiss, Claimant denied the assertions therein and asserted that Claimant has established a prima facie cause of action against Respondents and has asserted claims against Respondents which can be granted. In addition, in response to Respondent Fahnestock's Motion to Dismiss, Claimant denied the assertions therein and asserted

that the Statement of Claim alleges Respondent Fahnestock's liability as the successor of Respondent Prime Charter.

In response to Claimant's Motion to Dismiss the Counterclaim, Respondents denied the assertions therein and asserted that the defamatory statements made in the Statement of Claim have no pertinence to the damages allegedly suffered by Claimant and therefore, cannot be deemed privileged.

RELIEF REQUESTED

Claimant requested an unspecified amount of compensatory damages, including but not limited to, payment of unpaid commissions in the amount of \$18,472.26, punitive damages, interest from the date of loss to the date of the Award, reasonable attorney's fees, costs and any other relief deemed just and equitable. In addition, Claimant requested dismissal of Respondents' counterclaims.

Respondents requested judgment dismissing Claimant's claims. In addition, as asserted in their counterclaim, Respondents requested compensatory damages in the amount of \$50,000.00 for the filing of a "libelous" claim, plus compensatory damages in the amount of \$4,861.07 representing the amount due on the promissory note, interest at the rate of 9% per annum from September 30, 1998 through the date of the Award, attorney's fees in the amount of \$2,000.00 and costs.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Sanchez and Schwartz did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and having answered the claim are bound by the determinations of the Panel on all issues submitted.

On or about February 19, 2003, the Panel issued an order which denied Respondent Fahnestock's Motion to Dismiss.

On or about March 7, 2003, the Panel issued an order which granted Claimant's Motion to Dismiss the Counterclaim "...only as it pertains to "libel" and "defamation" claims." Thereafter, on or about March 18, 2003, the Panel issued an order which modified the language of the Panel's March 7, 2003 order to reflect that Claimant's Motion to Dismiss the Counterclaim is granted "...only as it pertains to "libel" and "defamation" claims, unless during the course of the hearing, it becomes obvious to the Panel that some or all of the comments in question are not relevant to Claimant's case."

On or about July 20, 2003, the Panel issued an order which denied Claimant's Motion to Stay.

On or about August 4, 2003, the Panel issued an order which denied Claimant's Motion for

Reconsideration of Motion to Stay and Motion for Continuance of Hearing Dates.

On or about August 8, 2003, the Panel issued an order which denied Claimant's Renewed Motion for Continuance, with prejudice.

At the evidentiary hearing on August 13, 2003, the parties advised the Panel that the Statement of Claim and Counterclaim were voluntarily dismissed, with prejudice. In addition, the parties submitted a Stipulation of Expungement requesting the expungement of any and all records, indications and markings of the above-referenced arbitration from any Form U-4's or any other forms or documents which are part of the NASD Central Registration Depository ("CRD") system for Respondents Sanchez and Schwartz.

On or about August 13, 2003, the Panel entered an order which granted Respondents Sanchez and Schwartz's requests for expungement.

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

AWARD

After considering the pleadings, the Stipulation of Expungement and the record in this matter, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

The Panel recommends the expungement of any and all records, indications and markings of the above-referenced arbitration from Respondents Sanchez and Schwartz's registration records maintained by the NASD CRD, including but not limited to any Form U-4's or any other forms or documents which are part of the NASD CRD system, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Sanchez and Schwartz must obtain confirmation from a court of competent jurisdiction before the NASD CRD will execute the expungement directive.

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	= \$ 250.00
Counterclaim 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 persons at the time of the events giving rise to the

dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,200.00

Adjournment Fees

No requests for adjournments were granted in this matter.

Injunctive Relief Fees

No injunctive relief fees were incurred in this matter.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A 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 a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: May 9, 2003	1 session

One (1) Pre-hearing session with Panel @ \$1,000.00	= \$1,000.00
Pre-hearing conference: February 18, 2003	1 session

One (1) Hearing session @ \$1,000.00	= \$1,000.00
Hearing Date: August 13, 2003	1 session

Total Forum Fees	= \$2,450.00
------------------	--------------

Pursuant to the agreement of the parties, the Panel has assessed the total forum fees of \$2,450.00 to Respondent Prime Charter.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to: additional copies of arbitrator awards; copies of audio transcripts; retrieval of documents from archives; interpreters; and, security.

No administrative costs were incurred in this matter.

FEE SUMMARY

Claimant is solely liable for:

Initial Filing Fee	= \$ 250.00
--------------------	-------------

Total Fees	= \$ 250.00
------------	-------------

Less payments	= \$ 250.00
---------------	-------------

Balance Due NASD Dispute Resolution	= \$ 0.00
-------------------------------------	-----------

Respondent Prime Charter is solely liable for:

Member Fees	= \$4,450.00
Forum Fees	= \$2,450.00
Retained Hearing Session Deposit Rule (10332(f))	= \$1,000.00

Total Fees	= \$7,900.00
Less payments	= \$5,200.00

Balance Due NASD Dispute Resolution	= \$2,700.00
-------------------------------------	--------------

Respondents are jointly and severally liable for:

Counterclaim Filing Fee	= \$1,000.00
-------------------------	--------------

Total Fees	= \$1,000.00
Less payments	= \$1,000.00

Balance Due NASD Dispute Resolution	= \$ 0.00
-------------------------------------	-----------

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

ARBITRATION PANEL

R. Peter Olin	-	Non-Public Arbitrator, Presiding Chair
R. Christopher Laux	-	Non-Public Arbitrator
John N. Breazeale	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

/s/

08/29/03

R. Peter Olin
Non-Public Arbitrator, Presiding Chair

Signature Date

/s/

09/02/03

R. Christopher Laux
Non-Public Arbitrator

Signature Date

/s/

08/29/03


John N. Breazeale
Non-Public Arbitrator

Signature Date

09/03/03

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

Concurring Arbitrators' Signatures



R. Peter Olin
Non-Public Arbitrator, Presiding Chair

8/29/03
Signature Date

R. Christopher Laux
Non-Public Arbitrator

Signature Date

John N. Breazeale
Non-Public Arbitrator

Signature Date

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

Concurring Arbitrators' Signatures

R. Peter Olin
Non-Public Arbitrator, Presiding Chair

Signature Date

R. Christopher Laux
Non-Public Arbitrator

Signature Date



John N. Breazeale
Non-Public Arbitrator

8/29/03

Signature Date

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

Concurring Arbitrators' Signatures

R. Peter Olin
Non-Public Arbitrator, Presiding Chair

Signature Date



R. Christopher Laux
Non-Public Arbitrator

9/2/03

Signature Date

John N. Breazcale
Non-Public Arbitrator

Signature Date

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