

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Tradition Asiel Securities, Inc. (Claimant) vs. Gary A. Dorfman and Gary Dorfman & Co., Inc.
(Respondents)

Case Number: 03-00423

Hearing Site: New York, New York

Nature of the Dispute: Member vs. Associated Person and Non-Member

REPRESENTATION OF PARTIES

Claimant Tradition Asiel Securities, Inc. hereinafter referred to as "Claimant": Chaim A. Levin, Esq., Tradition Asiel Securities, Inc., New York, NY.

Respondents Gary A. Dorfman ("Dorfman") and Gary Dorfman & Co., Inc. ("Dorfman Inc.") hereinafter collectively referred to as "Respondents": Scott L. Warfman, Esq., Scott L. Warfman, P.A., Miami, FL. Previously represented by Justin Kam, Esq., Feingold & Kam, LLC, Palm Beach Gardens, FL.

CASE INFORMATION

Statement of Claim filed on or about: January 16, 2003.

Amended Statement of Claim filed on or about: October 8, 2003.

Response to Counterclaim filed by Claimant on or about: October 14, 2003.

Claimant signed the Uniform Submission Agreement: January 15, 2003.

Statement of Answer filed by Respondents on or about: October 22, 2003.

Motion to Dismiss and Motion for a More Definite Statement filed by Respondents on or about: March 20, 2003.

Counterclaim filed by Respondents on or about: June 30, 2003.

Respondent Dorfman did not submit a Uniform Submission Agreement.

Respondent Dorfman Inc. did not submit a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract, breach of fiduciary obligations, conversion, disloyalty, misappropriation, and fraud. The causes of action relate to a Consultant Agreement between the parties.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in an amount not less than \$361,317.84, punitive damages in an amount of \$600,000.00, costs, attorneys' fees, and such other relief as to the Panel is just.

Respondents requested dismissal of the Statement of Claim in its entirety, compensatory and consequential damages in an unspecified amount pursuant to Respondents' counterclaim, and any other relief the Panel deems just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Dorfman and Dorfman Inc. did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements, but are required to submit to arbitration pursuant to the Code and, having answered the claim, appeared, and testified at the hearing, are 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. Respondents are jointly and severally liable for and shall pay to Claimant compensatory damages in the amount of \$101,351.00, plus interest at a rate of 9% per annum beginning thirty (30) days after receipt of this Award until the Award is paid in full.
2. Respondents' Counterclaim is denied in its entirety.
3. Any and all 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 | = \$ 1,250.00 |
| Counterclaim filing fee | = \$ 250.00 |

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. Accordingly, Tradition Asiel Securities, Inc. is a party.

| | |
|-------------------------|---------------|
| Member Surcharge | = \$ 2,250.00 |
| Hearing Process Fee | = \$ 750.00 |
| Pre-Hearing Process Fee | = \$ 4,000.00 |

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

| | |
|--|---------------|
| April 20-23, 2004 adjournment requested by Respondents | = \$ 1,200.00 |
| March 1-3, 2005 adjournment requested by Claimant | = \$ 1,200.00 |
| December 6-9, 2005 adjournment requested by Claimant | = \$ 1,500.00 |

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00 = \$ 1,350.00

| | | |
|--------------------------|------------------|-----------|
| Pre-hearing conferences: | November 3, 2003 | 1 session |
| | August 8, 2005 | 1 session |
| | October 14, 2005 | 1 session |

Five (5) Pre-hearing sessions with panel @ \$1,200.00 = \$ 6,000.00

| | | |
|--------------------------|--------------------|-----------|
| Pre-hearing conferences: | September 16, 2003 | 1 session |
| | April 6, 2004 | 1 session |
| | June 28, 2004 | 1 session |
| | December 2, 2005 | 1 session |
| | January 20, 2006 | 1 session |

Sixteen (16) Hearing sessions @ \$1,200.00 = \$ 19,200.00

| | | |
|---------------|----------------|------------|
| Hearing Date: | March 8, 2005 | 2 sessions |
| | March 9, 2005 | 2 sessions |
| | March 10, 2005 | 2 sessions |
| | March 11, 2005 | 2 sessions |
| | March 7, 2006 | 2 sessions |
| | March 8, 2006 | 2 sessions |
| | March 9, 2006 | 2 sessions |
| | March 10, 2006 | 2 sessions |

Total Forum Fees = \$ 26,550.00

1. The Panel has assessed \$13,275.00 of the forum fees to Claimant.
2. The Panel has assessed \$13,275.00 of the forum fees to Respondents, jointly and severally.

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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Claimant requested March 8-11, 2005 hearing tapes = \$ 165.00
2. Respondents requested March 8-11, 2005 hearing tapes = \$ 165.00

- | | | |
|---|------|-------|
| 3. Claimant requested June 28, 2004 pre-hearing tape | = \$ | 15.00 |
| 4. Respondents requested June 28, 2004 pre-hearing tape | = \$ | 15.00 |

Fee Summary

1. Claimant is solely liable for:

| | | |
|-------------------------------------|------|-----------|
| Initial Filing Fee | = \$ | 1,250.00 |
| Member Fees | = \$ | 7,000.00 |
| Forum Fees | = \$ | 13,275.00 |
| Adjournment Fees | = \$ | 2,700.00 |
| <u>Administrative Cost Fees</u> | = \$ | 180.00 |
| Total Fees | = \$ | 24,405.00 |
| <u>Less payments</u> | = \$ | 7,490.00 |
| Balance Due NASD Dispute Resolution | = \$ | 16,915.00 |

2. Respondents are jointly and severally liable for:

| | | |
|-------------------------------------|------|-----------|
| Counterclaim Filing Fee | = \$ | 250.00 |
| Forum Fees | = \$ | 13,275.00 |
| Adjournment Fees | = \$ | 1,200.00 |
| <u>Administrative Cost Fees</u> | = \$ | 180.00 |
| Total Fees | = | 14,905.00 |
| <u>Less payments</u> | = \$ | 15.00 |
| Balance Due NASD Dispute Resolution | = \$ | 14,890.00 |

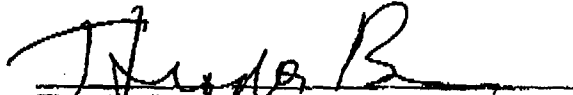
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

| | | |
|----------------------|---|--|
| Theodor Brown | - | Non-Public Arbitrator, Presiding Chairperson |
| Thomas Caiaffa | - | Non-Public Arbitrator |
| Sean Patrick Gaffney | - | Non-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 my award.



Theodor Brown
Non-Public Arbitrator

Signature Date

Thomas Caiaffa
Non-Public Arbitrator

Signature Date

Sean Patrick Gaffney
Non-Public Arbitrator

Signature Date

4/7/06

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

| | | |
|----------------------|---|--|
| Theodor Brown | - | Non-Public Arbitrator, Presiding Chairperson |
| Thomas Caiaffa | - | Non-Public Arbitrator |
| Sean Patrick Gaffney | - | Non-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 my award.

Theodor Brown
Non-Public Arbitrator

Signature Date



Thomas Caiaffa
Non-Public Arbitrator

3/30/06
Signature Date

Sean Patrick Gaffney
Non-Public Arbitrator

Signature Date

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

| | | |
|----------------------|---|--|
| Theodor Brown | - | Non-Public Arbitrator, Presiding Chairperson |
| Thomas Caiaffa | - | Non-Public Arbitrator |
| Sean Patrick Gaffney | - | Non-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 my award.

Theodor Brown
Non-Public Arbitrator

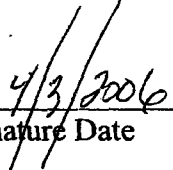
Signature Date

Thomas Caiaffa
Non-Public Arbitrator

Signature Date



Sean Patrick Gaffney
Non-Public Arbitrator



Signature Date

Date of Service (For NASD Dispute Resolution use only)