

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Mantis Securities, Inc. and Edward Linzer (Claimants) v. J.B. Oxford & Co. n/k/a National Clearing Corp., Jamie G. Lewis, Albert R. Laubenstein, Michael Chiodo, James Lin, and Christopher Jarrett (Respondents)

Case Number: 03-01904

Hearing Site: New York, New York

Nature of the Dispute: Member and Associated Person v. Member and Associated Persons.

REPRESENTATION OF PARTIES

Claimants Mantis Securities, Inc. ("Mantis") and Edward Linzer ("Linzer") hereinafter collectively referred to as "Claimants" appeared *pro se* through Edward Linzer.

Respondents J.B. Oxford & Co. n/k/a National Clearing Corp. ("JBOC"), Jamie G. Lewis ("Lewis"), Albert R. Laubenstein ("Laubenstein"), Michael Chiodo ("Chiodo"), and James Lin ("Lin"): Jeffrey S. Kob, Esq., Miller Milove & Kob, San Diego, CA.

Respondent Christopher Jarrett ("Jarrett") did not enter an appearance in this matter.

JBOC, Lewis, Laubenstein, Chiodo, Lin, and Jarrett are hereinafter referred to as "Respondents".

CASE INFORMATION

Statement of Claim filed on or about: March 12, 2003.

Statement of Answer of Claimants to Respondents' Answer and Motion to Dismiss for Lack of Standing filed on or about: June 16, 2003

Claimants signed the Uniform Submission Agreement: March 10, 2003.

Joint Statement of Answer and Motion to Dismiss for Lack of Standing filed by Respondents JBOC, Lewis, Laubenstein, Chiodo and Lin on or about: June 2, 2003.

Amended Statement of Answer of Respondents JBOC, Lewis, Laubenstein, Chiodo and Lin to Claimants' Statement of Claim; Motion to Dismiss for Lack of Standing; and Counterclaim for Damages filed on or about: February 20, 2004.

Respondent JBOC signed the Uniform Submission Agreement: May 30, 2003.

Respondent Lewis signed the Uniform Submission Agreement: July 3, 2003.

Respondent Laubenstein signed the Uniform Submission Agreement: June 11, 2003.

Respondent Chiodo signed the Uniform Submission Agreement: June 12, 2003.

Respondent Lin signed the Uniform Submission Agreement: June 12, 2003.

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

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract; ticket charges; clearing disputes; breach of fiduciary duty; and raiding.

Unless specifically admitted in their Answer and Motion to Dismiss for Lack of Standing, Respondents JBOC, Lewis, Laubenstein, Chiodo and Lin denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

Unless specifically admitted in their Amended Answer, Motion to Dismiss for Lack of Standing and Counterclaim for Damages, Respondents JBOC, Lewis, Laubenstein, Chiodo and Lin denied the allegations made in the Statement of Claim and asserted various affirmative defenses. In their Counterclaim, Respondents JBOC, Lewis, Laubenstein, Chiodo and Lin asserted the following cause of action: undercharging of Mantis on tickets cleared.

RELIEF REQUESTED

Claimants requested relief of \$125,000.00, which consists of \$35,000.00 from the Deposit Account and \$90,000.00 from the overcharging of ticket charges; punitive damages in the amount of \$500,000.00 for the raiding done by JBOC; forum fees and other case costs; and closing the Deposit Account and issuing the proceeds. In their Answer to Respondents JBOC, Lewis, Laubenstein, Chiodo and Lin's Answer to Statement of Claim and Motion to Dismiss for Lack of Standing, Claimants requested that any and all claims be heard; and for such other relief as the arbitrators deem just and proper.

In their Statement of Answer to Claimants' Statement of Claim and Motion to Dismiss for Lack of Standing, Respondents JBOC, Lewis, Laubenstein, Chiodo and Lin requested that any and all claims against them be dismissed; that Claimants take nothing as to them by Claimants' Statement of Claim; and for such other relief as the arbitrators deem just and proper.

In their Amended Statement of Answer to Claimants' Statement of Claim, Motion to Dismiss for Lack of Standing, and Counterclaim for Damages, Respondents JBOC, Lewis, Laubenstein, Chiodo and Lin requested in excess of \$70,000.00 through undercharging Mantis on tickets cleared; reasonable attorneys' fees; and such other relief as the arbitrators deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by the Claimants, the undersigned arbitrators (the "Panel") determined that Respondent Jarrett 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").

Respondent Jarrett 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 Panel on all issues submitted.

On or about March 20, 2004, the Panel notified NASD Dispute Resolution that it dismissed the claims against Respondents Lewis, Laubenstein, Chiodo, Lin, and Jarrett.

By agreement of the parties, the final hearing session on May 24, 2003 was conducted by a single arbitrator. The recording of that session was circulated to the absent arbitrators prior to the Panel's final deliberation.

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, and 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 JBOC's Counterclaims are dismissed in their entirety.
2. a) The security deposit JBOC received from Claimants in the sum of \$35,000.00 plus interest at 9% per annum, is to be put into an escrow account for payment to the shareholders of Mantis when it has been determined who the shareholders are. The interest accrues from the date the funds were deposited at JBOC until paid.
- b) Claimants shall pay all NASD Dispute Resolution Claim, Forum and Member Fees including any fees which were previously waived by the Director of Arbitration. If any portion of the security deposit referenced in 2a above, is payable to Mantis and/or Linzer, the Panel orders JBOC to first pay directly to NASD Dispute Resolution, Claimants' Claim, Forum and Member Fees referenced in the Fee Summary below.

- c) Linzer is to provide JBOC with a certified list of the Mantis shareholders, which list is to show their respective holdings, residence addresses, and social security numbers. If this information is not readily available because Linzer's records have been lost, he should get this information from the last filed Form B/D and the addresses shown should be verified by Linzer to be certain they are still current.
 - d) JBOC is ordered to close the Deposit Account once the shareholders have been paid as directed in 2a above.
- 3. The claims made against JBOC were made more than 30 days after JBOC took over the accounts, therefore, the security deposit is not to be used to pay for any other claims that might prove to be valid and/or are settled.
 - 4. 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	= \$1,000.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Mantis Securities, Inc. is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, J.B. Oxford & Co. n/k/a National Clearing Corp. is a party.

Member surcharge	= \$2,250.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$4,000.00

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without a charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Respondent J.B. Oxford & Co. n/k/a National Clearing Corp. requested:
Audio tapes = \$ 90.00

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:

Two (2) Pre-hearing sessions with Panel @ \$1,200.00 = \$2,400.00

Pre-hearing conferences: October 1, 2003 1 session
 November 3, 2003 1 session

One (1) Hearing session with single Arbitrator = \$ 450.00

Hearing Date: May 24, 2004 1 session

Five (5) Hearing sessions @ \$1,200.00 = \$6,000.00

Hearing Dates: March 15, 2004 2 sessions
 March 16, 2004 2 sessions
 March 17, 2004 1 session

Total Forum Fees = \$8,850.00

1. The Panel has assessed \$2,950.00 of the forum fees against Mantis.
2. The Panel has assessed \$2,950.00 of the forum fees against Linzer.
3. The Panel has assessed \$2,950.00 of the forum fees against Respondent JBOC.

Fee Summary

1. Claimants are jointly and severally liable for:

<u>Initial Claim Filing Fee</u>	= \$ 1,250.00
<u>Total Fees</u>	= \$ 1,250.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,250.00

2. Claimant Mantis is solely liable for:

<u>Member Fees</u>	= \$ 7,000.00
<u>Forum Fees</u>	= \$ 2,950.00
<u>Total Fees</u>	= \$ 9,950.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 9,950.00

3. Claimant Linzer is solely liable for:

<u>Forum Fees</u>	= \$ 2,950.00
<u>Total Fees</u>	= \$ 2,950.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 2,950.00

4. Respondent JBOC is solely liable for:

Member Fees	= \$ 7,000.00
Administrative Cost	= \$ 90.00
<u>Forum Fees</u>	= \$ 2,950.00
<u>Total Fees</u>	= \$10,040.00
<u>Less payments</u>	= \$ 7,000.00
Balance Due NASD Dispute Resolution	= \$ 3,040.00

5. Respondents JBOC, Lewis, Laubenstein, Chiodo & Lin are jointly and severally liable for:

<u>Counterclaim Filing Fee</u>	= \$ 1,000.00
<u>Total Fees</u>	= \$ 1,000.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 1,000.00


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

ARBITRATION PANEL

Dominick J. Dorata, Esq.	-	Non-Public Arbitrator, Presiding Chair
Anthony P. Reres	-	Non-Public Arbitrator
Robert J. Gorgia	-	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 in which is my award.



Dominick J. Dorata, Esq.
Non-Public Arbitrator, Presiding Chairperson

6/29/04

Signature Date

Anthony P. Reres
Non-Public Arbitrator

Signature Date

Robert J. Gorgia
Non-Public Arbitrator

Signature Date

June 14, 2004

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

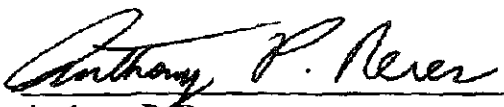
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Anthony P. Reres	-	Non-Public Arbitrator
Robert J. Gorgia	-	Non-Public Arbitrator

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Dominick J. Dorata, Esq.
Non-Public Arbitrator, Presiding Chairperson

Signature Date



Anthony P. Reres
Non-Public Arbitrator



Signature Date

Robert J. Gorgia
Non-Public Arbitrator

Signature Date

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Dominick J. Dorata, Esq.
Non-Public Arbitrator, Presiding Chairperson

Signature Date

Anthony P. Reres
Non-Public Arbitrator

Signature Date



Robert J. Gorgia
Non-Public Arbitrator



Signature Date

June 14, 2004

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