

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Richard Patton (Claimant) v. J.P. Morgan Chase & Co. (Respondent)

Case Number: 03-01971

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Member.

REPRESENTATION OF PARTIES

Claimant Richard Patton ("Patton") hereinafter referred to as "Claimant": Ramon A. Pagan, Esq., The Law Offices of Neal Brickman, New York, NY.

Respondent J.P. Morgan Chase & Co. ("JPMC") hereinafter referred to as "Respondent": Philip A. Goldstein, Esq., J.P. Morgan Chase Legal Department, New York, NY.

CASE INFORMATION

Amended Statement of Claim filed on or about: March 26, 2003.

Claimant's Memorandum of Law in Opposition to Respondent's Motion to Dismiss filed on or about: August 1, 2003.

Claimant signed the Uniform Submission Agreement: February 12, 2003.

Statement of Answer filed by Respondent on or about: June 30, 2003.

Respondent's Memorandum of Law in Support of its Motion to Dismiss the Statement of Claim filed on or about: June 30, 2003.

Respondent's Memorandum of Law in Further Support of its Motion to Dismiss the Amended Statement of Claim filed on or about: September 2, 2003.

Respondent signed the Uniform Submission Agreement: June 30, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; quantum meruit; and fraud.

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

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages of \$26,129.00 in connection with the failure to vest Claimant's retirement plan in contravention of its promises to do so;
2. Compensatory damages of \$1,200,000.00 in connection with the breach of contract claim representing Claimant's minimum bonus entitlement for 2002;
3. Compensatory damages of \$1,200,000.00 in connection with the quantum meruit claim representing the reasonable value of goods and services supplied by Claimant to Respondent for which it has not compensated him;
4. Compensatory damages of \$2,500,000.00 in connection with the fraud claim representing the lost wages and diminution of Claimant's earning capacity occasioned by his reliance upon Respondent's misrepresentations to him regarding his continued employment and compensation;
5. Punitive damages to be set by the Panel;
6. Costs and disbursements of this proceeding, including reasonable attorneys' fees; and
7. Any such other or further relief deemed appropriate by this Panel.

In his Memorandum of Law in Opposition to Respondent's Motion to Dismiss his Statement of Claim, Claimant requested that Respondent's motion be denied, that Claimant be awarded the costs, including reasonable attorneys' fees, incurred in responding to this frivolous motion, and that the Panel award Claimant such other and further relief as it deems just and proper.

Respondent requested:

- (a) Dismiss with prejudice the Amended Statement of Claim;
- (b) Award Respondent the costs and expenses of this arbitration and attorneys' fees; and
- (c) Award Respondent such other and further relief as is just and proper.

In its Memorandum of Law in Support of its Motion to Dismiss the Statement of Claim and in its Reply Memorandum of Law in Further Support of Respondent's Motion to Dismiss the Amended Statement of Claim, Respondent requested that the motion to dismiss Claimant's Amended Statement of Claim be granted in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

On December 2, 2003, the Parties presented oral argument on Respondent's Motion to Dismiss. After due consideration, the Panel granted said Motion dismissing Claimant's claim in its entirety.

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. Claimant's claims are dismissed in their entirety.
2. 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	= \$600.00
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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, J.P. Morgan Chase & Co. is a party.

Member surcharge	= \$2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$5,000.00

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:

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$1,200.00
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Pre-hearing conference:	October 27, 2003	1 session
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Two (2) Hearing sessions @ \$1,200.00	= \$2,400.00
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Hearing Date:	December 2, 2003	2 sessions
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Total Forum Fees	= \$3,600.00
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1. The Panel has assessed \$1,800.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,800.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$ 1,800.00</u>
Total Fees	= \$ 2,400.00
<u>Less payments</u>	<u>= \$ 1,800.00</u>
Balance Due NASD Dispute Resolution	= \$ 600.00

2. Respondent is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$ 1,800.00</u>
Total Fees	= \$10,350.00
<u>Less payments</u>	<u>= \$ 8,550.00</u>
Balance Due NASD Dispute Resolution	= \$ 1,800.00

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

ARBITRATION PANEL

Judith R. MacDonald, Esq.	-	Non-Public Arbitrator, Presiding Chair
Joseph A. Gottlieb, Esq.	-	Non-Public Arbitrator
George F. Janos	-	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.

Judith MacDonald

Judith A. MacDonald, Esq.
Non-Public Arbitrator, Presiding Chairperson

Signature Date

Joseph A. Gottlieb, Esq.
Non-Public Arbitrator

Signature Date

George F. Janos
Non-Public Arbitrator

Signature Date

December 30, 2003

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL


Judith R. MacDonald, Esq.	-	Non-Public Arbitrator, Presiding Chair
Joseph A. Gottlieb, Esq.	-	Non-Public Arbitrator
George F. Janos	-	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.

Judith A. MacDonald, Esq.
Non-Public Arbitrator, Presiding Chairperson

Signature Date



Joseph A. Gottlieb, Esq.
Non-Public Arbitrator

Signature Date

George F. Janos
Non-Public Arbitrator

Signature Date

December 30, 2003

Date of Service (For NASD Dispute Resolution use only)