

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Hand Securities, Inc. (Claimant) v. U.S. Clearing, a Division of Fleet Securities, Inc.
(Respondent)

Case Number: 03-02635

Hearing Site: New York, New York

Nature of the Dispute: Member v. Member.

REPRESENTATION OF PARTIES

Claimant Hand Securities, Inc. ("Hand Securities") hereinafter referred to as "Claimant":
John J. Phelan, III, Esq., New York, NY.

Respondent U.S. Clearing, a Division of Fleet Securities, Inc. ("U.S. Clearing")
hereinafter referred to as "Respondent": David L. Becker, Esq., Davidson & Grannum,
LLP, Northvale, NJ.

CASE INFORMATION

Statement of Claim filed on or about: April 9, 2003.

Amended and Supplemental Statement of Claim filed on or about: May 19, 2004.

Claimant signed the Uniform Submission Agreement: April 3, 2003.

Statement of Answer filed by Respondent on or about: June 24, 2003.

Answer to the Amended and Supplemental Statement of Claim filed by Respondent on or
about: July 22, 2004.

Respondent signed the Uniform Submission Agreement: June 24, 2003.

CASE SUMMARY

In the Statement of Claim and Amended and Supplemental Statement of Claim, Claimant
asserted the following causes of action: breach of contract; money had and received; and
breach of fiduciary duty.

Unless specifically admitted in its Answer and Answer to the Amended and Supplemental
Statement of Claim, Respondent denied the allegations made in the Statement of Claim.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested damages in the amounts of \$150,000.00,

\$55,000.00, and \$35,000.00; plus costs, filing fees and other disbursements; and reasonable attorneys' fees.

In the Amended and Supplemental Statement of Claim, Claimant requested \$51,000.00, together with interest from October 16, 2003 and all other sums in the good faith deposit account; an order directing Respondent to account for and pay over to Claimant all sums held now or heretofore in the good faith deposit account including all interest; consequential damages in the amount of \$1,000,000.00; punitive damages; costs, filing fees, and disbursements; and reasonable attorneys' fees.

In its Answer, Respondent requested that the claim be dismissed in its entirety.

In its Answer to the Amended and Supplemental Statement of Claim, Respondent requested that Claimant's Statement of Claim be dismissed in its entirety and Claimant's demand for damages be denied; Claimant's Amended Statement of Claim be dismissed in its entirety and Claimant's demand for damages be denied; costs and expenses be assessed against Claimant; and such other and further relief as the Arbitration Panel deems appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

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 is liable for and shall pay to Claimant damages in the amount of \$106,265.00.
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 = \$2,000.00

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 person at the time of the events giving rise to the dispute. Accordingly, F and Securities, Inc. is a party.

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

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, U.S. Clearing Corp., a Division of Fleet Securities, Inc. 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 a single arbitrator @ \$450.00	= \$ 450.00
Pre-hearing conference: March 26, 2004 1 session	

One (1) Pre-hearing session with Panel @ \$1,200.00	= \$ 1,200.00
Pre-hearing conference: December 1, 2003 1 session	

Eight (8) Hearing sessions @ \$1,200.00	= \$ 9,600.00
Hearing Dates: July 26, 2004 2 sessions	
July 27, 2004 2 sessions	
July 28, 2004 2 sessions	
July 29, 2004 2 sessions	

Total Forum Fees	= \$11,250.00
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1. The Panel has assessed \$5,625.00 of the forum fees against Claimant.
2. The Panel has assessed \$5,625.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 2,000.00
Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$ 5,625.00</u>
Total Fees	= \$16,175.00
<u>Less payments</u>	<u>= \$11,750.00</u>
Balance Due NASD Dispute Resolution	= \$ 4,425.00

2. Respondent is solely liable for:

Member Fees	= \$ 8,550.00
<u>Forum Fees</u>	<u>= \$ 5,625.00</u>
Total Fees	= \$14,175.00
<u>Less payments</u>	<u>= \$ 8,550.00</u>
Balance Due NASD Dispute Resolution	= \$5,625.00

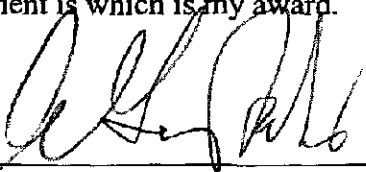
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

A. George Saks, Esq.	-	Non-Public Arbitrator, Presiding Chairperson
Thomas W. Smith, Esq.	-	Non-Public Arbitrator
Arthur P. Fisch, Esq.	-	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.



A. George Saks, Esq.
Non-Public Arbitrator, Presiding Chairperson

8/4/83

Signature Date

Thomas W. Smith, Esq.
Non-Public Arbitrator

Signature Date

Arthur P. Fisch, Esq.
Non-Public Arbitrator

Signature Date

August 13, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

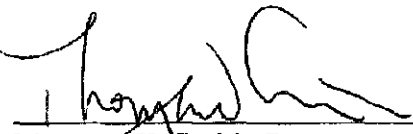
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A. George Saks, Esq.
Non-Public Arbitrator, Presiding Chairperson

Signature Date



Thomas W. Smith, Esq.
Non-Public Arbitrator



Signature Date

Arthur P. Fisch, Esq.
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