

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Reuvain Schepansky (Claimant) v. HSBC Brokerage (USA) Inc., Sebastian Costanzo,
and Chani Sperlin (Respondents)

Case Number: 03-03903

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimant Reuvain Schepansky ("Schepansky") hereinafter collectively referred to as
"Claimant" appeared *pro se*.

Respondents HSBC Brokerage (USA) Inc. ("HSBC"), Sebastian Costanzo ("Costanzo"),
and Chani Sperlin ("Sperlin") hereinafter collectively referred to as "Respondents":
Scott D. Miller, Esq., HSBC Bank USA, Buffalo, NY.

CASE INFORMATION

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

Revised Claim filed on or about: September 30, 2003.

Claimant signed the Uniform Submission Agreement: May 26, 2003 and February 16,
2004.

Statement of Answer filed by Respondents Costanzo and Sperlin on or about: June 27,
2003.

Answer to the Revised Claim filed by Respondents Costanzo and Sperlin on or about:
March 18, 2004.

Answer to the Revised Claim filed by Respondent HSBC on or about: March 22, 2004.

Respondent HSBC signed the Uniform Submission Agreement: March 22, 2004.

Respondent Costanzo signed the Uniform Submission Agreement: June 25, 2003.

Respondent Sperlin signed the Uniform Submission Agreement: June 27, 2003.

CASE SUMMARY

In the Statement of Claim and Revised Claim, Claimant asserted the following causes of
action: errors and charges; negligence; and misrepresentation. Claimant's claims
involved the Oppenheimer Senior Floating Rate Fund and the Franklin Senior Floating
Rate Fund.

Unless specifically admitted in their Answer and Answer to the Revised Claim, Respondents Costanzo and Sperlin denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

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

RELIEF REQUESTED

In the Statement of Claim, Claimant requested compensatory damages in the amount of \$3,000.00. In the Revised Claim, Claimant requested compensatory damages in the amount of \$9,930.00 and punitive damages in the amount of \$149,000.00.

In their Statement of Answer and Answer to the Revised Claim, Respondents Costanzo and Sperlin requested that the Panel dismiss Claimant's complaint and award them all of their costs, attorneys' fees, expenses, and any other relief that the Panel finds just and proper.

In its Answer to the Revised Claim, Respondent HSBC requested that the Panel dismiss Claimant's Revised Claim and award it its costs, attorneys' fees, expenses, and any other relief that the Panel finds just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

At the hearing, Claimant dismissed all claims against Respondents Costanzo and Sperlin.

Respondent HSBC made a motion to dismiss. The Panel decided to deny the motion.

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 HSBC is liable for and shall pay to Claimant compensatory damages in the amount of \$2,500.00.
2. Respondent HSBC is liable for and shall pay to Claimant the sum of \$300.00, to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution.
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	= \$300.00
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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, HSBC Brokerage (USA) Inc. is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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 a single arbitrator @ \$450.00	= \$ 900.00
Pre-hearing conferences: September 29, 2003	1 session
June 1, 2004	1 session

One (1) Pre-hearing session with Panel @ \$1,125.00	= \$1,125.00
Pre-hearing conference: February 2, 2004	1 session

Four (4) Hearing sessions @ \$1,125.00	= \$4,500.00
Hearing Dates: June 29, 2004	2 sessions
June 30, 2004	2 sessions

Total Forum Fees	= \$6,525.00
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1. The Panel has assessed \$6,525.00 of the forum fees against Respondent HSBC.

Fee Summary

1. Claimant is solely liable for:

<u>Initial Filing Fee</u>	-	= \$ 300.00
<u>Total Fees</u>		= \$ 300.00
<u>Less payments</u>		= \$1,425.00
<u>Refund Due Claimant</u>		= \$1,125.00

As stated in the "Award" section above, Respondent HSBC is liable for and shall reimburse Claimant for the \$300.00 filing fee.

2. Respondent HSBC is solely liable for:

<u>Member Fees</u>		= \$ 5,200.00
<u>Forum Fees</u>		= \$ 6,525.00
<u>Total Fees</u>		= \$11,725.00
<u>Less payments</u>		= \$ 5,200.00
<u>Balance Due NASD Dispute Resolution</u>		= \$ 6,525.00


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

ARBITRATION PANEL

Bennett A. Hall	-	Public Arbitrator, Presiding Chairperson
John R. O'Hanlon, Esq.	-	Public Arbitrator
Philip M. Mandel, Esq.	-	Non-Public Arbitrator

Concerning 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.


Bennett A. Hall
Public Arbitrator, Presiding Chairperson

7/5/04
Signature Date

John R. O'Hanlon, Esq.
Public Arbitrator

Signature Date

Philip M. Mandel, Esq.
Non-Public Arbitrator

Signature Date

July 7, 2004
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Bennett A. Hall	-	Public Arbitrator, Presiding Chairperson
John R. O'Hanlon, Esq.	-	Public Arbitrator
Philip M. Mandel, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

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Bennett A. Hall
Public Arbitrator, Presiding Chairperson

Signature Date

John R. O'Hanlon
John R. O'Hanlon, Esq.
Public Arbitrator

7-2-04
Signature Date

Philip M. Mandel, Esq.
Non-Public Arbitrator

Signature Date

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Signature Date

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