

**Award**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between:

Jeff Bassin, Slava Volman, Marc Freeman, David Stetson, Frank Ingrassia, and Steven Ingrassia (Claimants) v. Donald & Co. Securities, Inc., THCG, Inc., Stephen Blum, Anthony Pontecorvo, Correspondent Services Corporation, Inc., Efren Cleofe, Michael Dura, Robert Basso, UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc., and Tejas Securities Group, Inc. (Respondents)

Case Number: 03-05451

Hearing Site: New York, New York

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Nature of the Dispute: Associated Persons vs. Members, Terminated Member, Non-Member, and Associated Persons.

**REPRESENTATION OF PARTIES**

Claimants Jeff Bassin ("Bassin"), Slava Volman ("Volman"), Marc Freeman ("Freeman"), David Stetson ("Stetson"), Frank Ingrassia ("F. Ingrassia"), and Steven Ingrassia ("S. Ingrassia") hereinafter collectively referred to as "Claimants": Chase A. Caro, Esq., Caro & Associates, P.C., White Plains, NY.

Respondent Stephen Blum ("Blum") and Anthony Pontecorvo ("Pontecorvo"): Michael DiGiovanna, Esq., Michael DiGiovanna – Attorney at Law, Princeton, NJ.

Respondents Correspondent Services Corporation ("CSC"), Efren Cleofe ("Cleofe"), Michael Dura ("Dura"), Robert Basso ("Basso"), UBS Financial Services, Inc. f/k/a UBS PaineWebber, Inc. ("UBS"), and Tejas Securities Group, Inc. ("Tejas"): Howard A. Fischer, Esq., Schindler Cohen & Hochman, LLP, New York, NY.

Respondent Donald & Co. Securities, Inc. ("Donald") did not make an appearance in this matter.

Respondent THCG, Inc. ("THCG") did not make an appearance in this matter.

Blum, CSC, Cleofe, Dura, Basso, UBS, Tejas, Donald, THCG, and Pontecorvo are hereinafter collectively referred to as "Respondents".

**CASE INFORMATION**

Statement of Claim filed on or about: July 24, 2003.

Response to Motion to Dismiss filed by Claimants on or about: January 22, 2004.

Claimant Bassin signed the Uniform Submission Agreement: July 14, 2003.

Claimant Volman signed the Uniform Submission Agreement: July 15, 2003.

Claimant Freeman signed the Uniform Submission Agreement: July 14, 2003.  
Claimant Stetson signed the Uniform Submission Agreement: July 14, 2003.  
Claimant F. Ingrassia signed the Uniform Submission Agreement: July 14, 2003.  
Claimant S. Ingrassia signed the Uniform Submission Agreement: July 14, 2003.

*Statement of Answer filed by Respondent Blum on or about: February 8, 2004.*  
Respondent Blum did not sign the Uniform Submission Agreement.

Joint Statement of Answer and Memorandum of Law in Support of Motion to Dismiss filed by Respondents CSC, Cleofe, Dura, Basso, UBS, and Tejas on or about: October 30, 2003.  
Respondent Cleofe signed the Uniform Submission Agreement: October 23, 2003.  
Respondent Dura signed the Uniform Submission Agreement: October 22, 2003.  
Respondent Basso signed the Uniform Submission Agreement: October 22, 2003.  
Respondent UBS signed the Uniform Submission Agreement: October 20, 2003.  
Respondent Tejas signed the Uniform Submission Agreement: October 24, 2003.  
Respondent CSC did not sign the Uniform Submission Agreement.

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

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

Respondent Pontecorvo 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; quantum meruit; unjust enrichment/restitution; New York Labor Law claims; and fraud.

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

Unless specifically admitted in their Answer and Memorandum of Law in Support of Motion to Dismiss, Respondents CSC, Cleofe, Dura, Basso, UBS, and Tejas denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimants requested compensatory damages in the amount of \$546,009.80, plus consequential damages; statutory sanctions under New York's Labor Law, reasonable attorneys' fees, costs, disbursements, and such other and further relief as the arbitrators may deem just and proper.

Respondent Blum denied the Claimants are entitled to any relief.

Respondent CSC, Cleofe, Dura, Basso, UBS, and Tejas requested that the claims against them be dismissed.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondents Donald & Co. Securities, Inc. and Anthony Pontecorvo have 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 Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents CSC and Blum 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, are bound by the determination of the Panel on all issues submitted.

Respondent THCG is not an NASD member, and therefore, was not required to arbitrate in this forum and did not submit to NASD Dispute Resolution's jurisdiction.

The parties agreed that the non-public arbitrator, Lawrence S. Leibowitz, Esq. serve as the Chairperson.

On or about September 8, 2004, NASD Dispute Resolution was notified that the Claimants withdrew their claims against the Respondents. On or about September 13, 2004, Respondents CSC, Cleofe, Dura, Basso, UBS, and Tejas made a motion that the matter be dismissed with prejudice and that sanctions, costs, legal fees, and all filing and hearing expenses be awarded. On September 17, 2004, Respondents Blum and Pontecorvo joined in Respondents' CSC's, Cleofe's, Dura's, Basso's, UBS', and Tejas', motion. On or about September 28, 2004, Claimants submitted their response to the motions for dismissal and sanctions. On or about October 22, 2004, the Panel met telephonically to consider the motion to dismiss and that sanctions and costs be charged to Claimants. The Panel determined that the claims asserted in this matter by the Claimants shall be dismissed with prejudice and no additional sanctions or costs shall be charged against the Claimants.

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, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. The claims of Claimants are dismissed in their entirety, with prejudice.
2. Any and all relief not specifically addressed herein 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 = \$375.00

**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, UBS Financial Services, 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, Tejas Securities Group, 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, Correspondent Services Corporation is a party.

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

**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:

Two (2) Pre-hearing sessions with Panel @ \$1,200.00	= \$2,400.00
Pre-hearing conferences: April 2, 2004 1 session	
May 19, 2004 1 session	
<hr/> Total Forum Fees	<hr/> = \$2,400.00

1. The Panel has assessed \$1,200.00 of the forum fees jointly and severally against Claimants.
2. The Panel has assessed \$1,200.00 of the forum fees jointly and severally against Respondents Blum, Pontecorvo, CSC, Cleofe, Dura, Basso, UBS, and Tejas .

**Fee Summary**

1. Claimants are jointly and severally liable for:	
Initial Filing Fee	= \$ 375.00
Forum Fees	= \$1,200.00
Total Fees	= \$1,575.00
Less payments	= \$1,575.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. Respondent UBS is solely liable for:

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

3. Respondent Tejas is solely liable for:

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

4. Respondent CSC is solely liable for:

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

5. Respondents Blum, Pontecorvo, CSC, Cleofe, Dura, Basso, UBS, and Tejas are jointly and severally liable for:

<u>Forum Fees</u>	= \$1,200.00
Total Fees	= \$1,200.00
<u>Less payments</u>	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$1,200.00

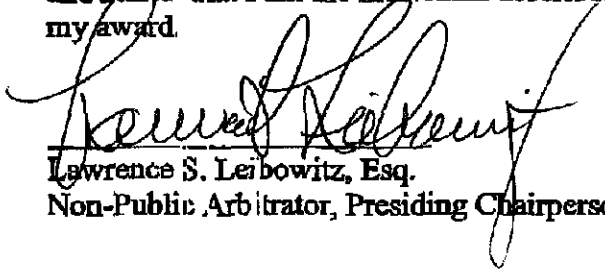
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

**ARBITRATION PANEL**

Lawrence S. Leibowitz, Esq.	-	Non-Public Arbitrator, Presiding Chairperson
David Nylick	-	Public Arbitrator
John F. Hemerding	-	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.

  
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Lawrence S. Leibowitz, Esq.  
Non-Public Arbitrator, Presiding Chairperson

11/1/04  
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Signature Date

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David Nylick  
Public Arbitrator

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
John F. Hemerding  
Public Arbitrator

\_\_\_\_\_  
Signature Date

November 5, 2004

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Date of Service (For NASD Dispute Resolution use only)

**ARBITRATION PANEL**

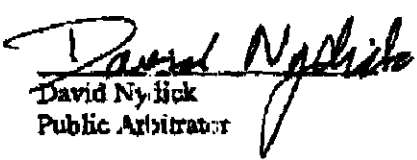
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David Nydick	-	Public Arbitrator
John F. Heimerdinger	-	Public Arbitrator

**Consenting Arbitrators' Signatures**

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Lawrence S. Leibowitz, Esq.  
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Signature Date

  
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**ARBITRATION PANEL**

Lawrence S. Leibowitz, Esq.	-	Non-Public Arbitrator, Presiding Chairperson
David Nydick	-	Public Arbitrator
John F. Heimerdinger	-	Public Arbitrator

**Concurring Arbitrators' Signatures**

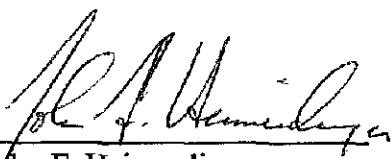
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Non-Public Arbitrator, Presiding Chairperson

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Signature Date

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David Nydick  
Public Arbitrator

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Signature Date

  
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11/1/04  
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