

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

James B. Fellus (Claimant) v. A.B. Watley, Inc. (Respondent)

Case Number: 03-05526

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Terminated Member.

REPRESENTATION OF PARTIES

Claimant James B. Fellus ("Fellus") hereinafter referred to as "Claimant": Jonathan S. Sack, Esq., Sack & Sack, New York, NY.

Respondent A.B. Watley, Inc. ("Watley") hereinafter referred to as "Respondent": David B. Wechsler, Esq., Wechsler & Cohen, LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: July 28, 2003.

Amended Statement of Claim filed on or about: January 28, 2004.

Claimant signed the Uniform Submission Agreement: July 28, 2003.

Statement of Answer filed by Respondent on or about: December 18, 2003.

Amended Statement of Answer filed by Respondent on or about: February 26, 2004.

Respondent signed the Uniform Submission Agreement: December 18, 2003.

CASE SUMMARY

Claimant asserted the following causes of action: breach of contract; breach of implied contract; quantum meruit – unjust enrichment; and claims under New York Labor Law.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$875,000.00; interest at New York's statutory rate of 9% per annum from 30 days following May 15, 2003; attorneys' fees and costs; punitive damages; 25% in liquidated damages pursuant to the Labor Law; and any other relief the Panel deems just and proper.

Respondent requested that the Statement of Claim and Amended Statement of Claim be dismissed in its entirety, with prejudice; costs and attorneys' fees; and such other relief as the Panel deems just and proper.

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, the testimony and evidence presented at the hearing, and the post-hearing submissions, 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 compensatory damages in the amount of \$811,927.16.
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	= \$375.00
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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, A.B. Watley, Inc. 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:	
March 24, 2004	1 session
July 27, 2004	1 session
Four (4) Hearing sessions @ \$1,200.00	= \$4,800.00
Hearing Dates:	
October 25, 2004	2 sessions

October 26, 2004 2 sessions

Total Forum Fees = \$7,200.00

1. The Panel has assessed \$3,600.00 of the forum fees against Claimant.
2. The Panel has assessed \$3,600.00 of the forum fees against Respondent.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 375.00
<u>Forum Fees</u>	= \$ 3,600.00
Total Fees	= \$ 3,975.00
<u>Less payments</u>	= \$ 1,575.00
Balance Due NASD Dispute Resolution	= \$ 2,400.00

2. Respondent is solely liable for:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	= \$ 3,600.00
Total Fees	= \$10,600.00
<u>Less payments</u>	= \$ 2,250.00
Balance Due NASD Dispute Resolution	= \$ 8,350.00

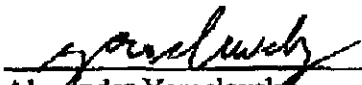
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Alexander Yaroslavsky	-	Public Arbitrator, Presiding Chairperson
Thomas J. Luz	-	Public Arbitrator
Judah Munk	-	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.



Alexander Yaroslavsky
Public Arbitrator, Presiding Chairperson

12/9/04

Signature Date

Thomas J. Luz
Public Arbitrator

Signature Date

Judah Munk
Non-Public Arbitrator

Signature Date

December 9, 2004
Date of Service (For NASD Dispute Resolution use only)

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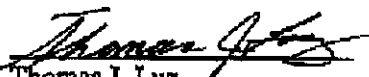
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