

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Name of the Claimant
Randy Marcin

Case Number: 03-06620

Names of the Respondents
Tower Square Securities, Inc.
Larry Carr
Laura A. Pantaleo

Hearing Site: Boca Raton, Florida

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

REPRESENTATION OF PARTIES

For Randy Marcin ("Marcin"), hereinafter referred to as "Claimant": Daniel S. Newman, Esq., Broad & Cassel, Miami, Florida.

For Tower Square Securities, Inc. ("TSS"), Larry Carr ("Carr") and Laura A. Pantaleo ("Pantaleo"), hereinafter collectively referred to as "Respondents": Joseph Coates, Esq., Greenberg Traurig, P.A., West Palm Beach, Florida.

CASE INFORMATION

Statement of Claim filed on or about: September 10, 2003.

Claimant signed the Uniform Submission Agreement: September 4, 2003.

Answer and Defenses filed by Respondents on or about: November 19, 2004.

Respondent TSS, Respondent Carr and Respondent Pantaleo did not submit executed Uniform Submission Agreements.

CASE SUMMARY

Claimant asserted the following causes of action: 1) defamation; 2) tortious interference with advantageous business relationships; 3) failure to supervise; 4) violation of implied covenant of good faith and fair dealing – negligence; 5) common law negligence; and 6) gross negligence. The causes of action relate to Claimant's alleged employment with Respondent TSS and the alleged expiration of the registration of Claimant's Series 7, 63 and 65 licenses with NASD while employed at TSS.

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

RELIEF REQUESTED

Claimant requested: 1) compensatory damages in the amount of \$3,000,000.00; 2) punitive damages in the amount of \$9,000,000.00; 3) attorneys' fees; 4) statutory interest; 5) costs; 6) expungement of Claimant's form U-5; 7) a disciplinary referral against Respondent TSS; 8) a request for the Panel to recommend that NASD restore Claimant's Series 7, 63 and 65 licenses; and 9) such other and further relief as the undersigned arbitrators (the "Panel") deemed appropriate.

Respondents requested that Claimant's Statement of Claim be denied in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents TSS, Carr and Pantaleo did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

At the evidentiary hearing on or about May 23, 2006, Claimant made an ore tenus Motion to Amend the Statement of Claim to provide the following additional relief: 1) expungement of Claimant Marcin's form U-5, 2) a request for a disciplinary referral against Respondent TSS; and 3) a request for the Panel to recommend that NASD restore Claimant's Series 7, 63 and 65 licenses. On or about May 23, 2006, the Panel granted Claimant's Motion to Amend the Statement of Claim.

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

1. Respondent TSS is solely liable on the claim of common law negligence and shall pay to Claimant compensatory damages in the sum of \$20,000.00.
2. Respondent TSS shall pay interest from May 26, 2006 until payment of the Award in full at the Florida statutory rate of interest.
3. Respondent TSS shall reimburse Claimant all costs associated with this arbitration proceeding.
4. Respondent TSS shall reimburse Claimant the claim-filing fee paid by Claimant in this arbitration proceeding.
5. The Panel recommends the expungement of the termination comment (i.e., "Failure to Complete Qualifying Exams") included in Item 3 on the Form U5 filed

with CRD by Respondent TSS on February 3, 2003. The original termination comment is to be expunged and replaced with "End of employment contract at will." The expungement recommendation is based on the defamatory and false nature of the information maintained in Claimant's CRD record.

6. Respondent TSS is directed to appeal to NASD's Registration and Disclosure Department to request that the date for Claimant's October 27, 2002 "Continuous Registration Period" (CRP) be adjusted so that he is not required to re-take and pass the S7, S63 and S65 exams. Such appeal is to be made within twenty days from the date of this decision with copies of the appeal sent to the Arbitrators. Respondent firm is directed to make such an appeal due to administrative filing errors that occurred during Claimant's employment with Respondent TSS in 2002. The Form U4 in question was filed by Respondent TSS on October 30, 2002 and reflects an employment date of October 30, 2002. The employment date should have reflected an earlier date and the Form U4 should have been filed with CRD prior to the expiration of Claimant's CRP (i.e., no later than October 27, 2002), as Claimant was employed by Respondent TSS prior to October 30, 2002. But for the administrative filing errors that occurred in connection with the 2002 Form U4 filing, Claimant would not have been required to re-take and pass the S7, S63 and S65 exams during his 2002 employment with the firm.

Claimant should be aware that in the event Respondent TSS' appeal is approved by NASD and the 2002 CRP date is adjusted so as to not trigger S7, S63 and S65 exam requirements, Claimant must become employed by an NASD registered firm and registered in capacities that have those exam requirements prior to the expiration of his current CRP in order to keep his S7, S63 and S65 registration and licenses current. Claimant's current CRP expires on 10/8/2006.

7. Claimant's claims against Respondents Carr and Pantaleo are denied.
8. Any and all requests for relief not specifically addressed herein, including Claimant's requests for punitive damages and attorneys' fees, are denied.

FEES

Pursuant to the NASD 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, Respondent TSS is a party and a member firm.

Member surcharge	= \$ 3,750.00
Pre-hearing process fee	= \$ 750.00

Hearing process fee	= \$ 5,500.00
Total Member Fees	= \$10,000.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

February 15, 2005 – February 18, 2005, adjournment requested by Respondents.

The Panel has assessed an adjournment fee in the amount of \$1,200.00 to Respondent TSS.

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session:

There were no three-day cancellation fees assessed during these proceedings.

Injunctive Relief Fees

Injunctive relief fees are assessed to each member or associated person who files for a temporary injunction in court. Parties in these cases are also assessed arbitrator travel expenses and costs when an arbitrator is required to travel outside his or her hearing location and additional arbitrator honoraria for the hearing for permanent injunction. These fees, except the injunctive relief surcharge, are assessed equally against each party unless otherwise directed by the Panel.

There were no injunctive relief fees assessed during these proceedings.

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) Decisions on discovery-related motions on the papers	
with One (1) arbitrator @ \$200.00	= \$ 600.00
Claimant submitted two (2) discovery-related motions	
Respondent submitted one (1) discovery-related motion	

Three (3) Pre-hearing sessions with a single arbitrator @ \$450.00/session	= \$ 1,350.00
Pre-hearing conferences: June 17, 2005	1 session
June 29, 2005	1 session
May 8, 2006	1 session

Two (2) Pre-hearing sessions with the Panel @ \$1,200.00/session	= \$ 2,400.00
Pre-hearing conferences: March 16, 2004	1 session
April 8, 2005	1 session

Nine (9) Hearing sessions @ \$1,200.00/session	= \$10,800.00
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Hearing Dates:	May 23, 2006	2 sessions
	May 24, 2006	2 sessions
	May 25, 2006	3 sessions
	May 26, 2006	2 sessions

Total Forum Fees	= \$15,150.00
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The Panel has assessed total forum fees in the amount of \$15,150.00 to Respondent TSS.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services beyond the normal administrative services. These include, but are not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

There were no administrative costs assessed during these proceedings.

Fee Summary

Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

Respondent TSS is solely liable for:

Member Fees	= \$10,000.00
Forum Fees	= \$15,150.00
Adjournment Fee	= \$ 1,200.00
Total Fees	= \$26,350.00
Less payments	= \$10,000.00
Balance Due NASD Dispute Resolution	= \$16,350.00

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

ARBITRATION PANEL

Allen J. Kaplan, Esq.	-	Public Arbitrator, Presiding Chairperson
George R. Canty, Jr., Esq.	-	Public Arbitrator
Lanny M. Leff	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

_____/s/_____
Allen J. Kaplan, Esq.
Public Arbitrator, Presiding Chairperson

June 30, 2006
Signature Date

/s/

George R. Canty, Jr., Esq.
Public Arbitrator

June 30, 2006
Signature Date

/s/

Lanny M. Leff
Non-Public Arbitrator

June 30, 2006
Signature Date

June 30, 2006
Date of Service (For NASD Dispute Resolution office use only)

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Claimant is solely liable for:

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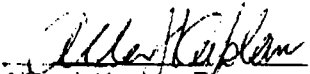
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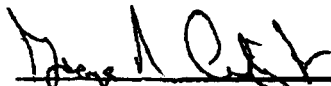
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Public Arbitrator, Presiding Chairperson


Signature Date



George R. Canty, Jr., Esq.
Public Arbitrator

June 30, 2006

Signature Date

Lanny M. Left
Non-Public Arbitrator

Signature Date

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George R. Canty, Jr., Esq.
Public Arbitrator



Lanny M. Left
Non-Public Arbitrator

Signature Date

6/30/06

Signature Date

Date of Service (For NASD Dispute Resolution office use only)