

**Award
NASD Dispute Resolution**

In the Matter of the Arbitration Between:

Name of the Claimant
LeLand LaFevre

Case Number: 03-09180

Names of the Respondents
Ehrenkrantz King Nussbaum, Inc.
Irwin Nussbaum
Joan Mary King
Michael Evan Sackstein
Christopher John Rocco Santanelli
Anthony Koulouris

Hearing Site: Raleigh, North Carolina

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

REPRESENTATION OF PARTIES

Claimant, LeLand LaFevre, hereinafter referred to as "Claimant", was represented by J. Anthony Penry, Esq. Taylor, Penry, Rash & Riemann, PLLC, Raleigh, North Carolina.

Respondents, Ehrenkrantz King Nussbaum, Inc. ("Ehrenkrantz"), Irwin Nussbaum ("Nussbaum"), Joan Mary King ("King") and Michael Evan Sackstein ("Sackstein"), were represented by Robert M. Bursky, Esq. Attorney at Law, Garden City, New York.

Respondent, Christopher John Rocco Santanelli ("Santanelli"), did not appear at the hearing on the merits.

Respondent, Anthony Koulouris ("Koulouris"), did not appear at the hearing on the merits.

CASE INFORMATION

Statement of Claim filed on December 30, 2003.

Claimant signed the Uniform Submission Agreement on December 26, 2003.

Statement of Answer filed by Respondents Ehrenkrantz, Nussbaum, King, Sackstein and Santanelli on March 18, 2004.

A representative of Respondent Ehrenkrantz signed the Uniform Submission Agreement on March 18, 2004.

Respondent Nussbaum signed the Uniform Submission Agreement on March 22, 2004.

Respondent King signed the Uniform Submission Agreement on March 22, 2004.

Respondent Sackstein signed the Uniform Submission Agreement on March 18, 2004.

Respondent Santanelli signed the Uniform Submission Agreement on March 18, 2004.

Respondent Koulouris did not file a Statement of Answer or Uniform Submission Agreement with NASD Dispute Resolution.

CASE SUMMARY

In the Statement of Claim, Claimant asserted the following causes of action, among others: negligent failure to supervise, breach of contract, breach of fiduciary duty, violations of chapter 78A, constructive fraud, violations of SEC, NYSE and NASD rules, negligence, and conversion. The causes of action relate to the purchase and sale of various unspecified securities.

Unless specifically admitted in their Answer, Respondents Ehrenkrantz, Nussbaum, King, Sackstein and Santanelli denied the allegations made in the Statement of Claim and asserted the following defenses, among others: assumption of the risk, estoppel, waiver, ratification, failure to mitigate damages, statute of limitations, and contributory/comparative negligence.

RELIEF REQUESTED

Claimants in the Statement of Claim requested:

Compensatory Damages	\$ 75,000.00
Interest	amount unspecified
Attorneys' Fees	amount unspecified

Respondents Ehrenkrantz, Nussbaum, King, Sackstein and Santanelli requested that the Statement of Claim be dismissed and that costs of the arbitration be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned Arbitration Panel (the "Panel") determined that Respondent Santanelli has 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 Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

At the hearing on the merits, the undersigned Panel determined that Respondent Koulouris was not properly served with the Statement of Claim, that he did not receive due notice of the hearing, and that arbitration of the matter would proceed without said Respondent present, in accordance with the NASD Code of Arbitration Procedure (the "Code"). The parties agreed to proceed with the arbitration against Respondents Ehrenkrantz, Nussbaum, King, Sackstein and Santanelli without considering Claimant's claims against Respondent Koulouris.

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. Claimant's claims are denied in part and granted in part. Claimant's claim for negligent failure to supervise and violations of SEC, NYSE and NASD rules and regulations is granted in part and Respondents Ehrenkrantz, Nussbaum, King, Sackstein and Santanelli are jointly and severally liable to and shall pay to Claimant the sum of one dollar (\$1.00) in compensatory damages. All other claims are denied.
2. The parties shall bear their respective costs, including attorneys' fees, except as Fees are specifically addressed below; and
3. Any and all relief not specifically addressed herein is denied in its entirety.

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	= \$ 225.00
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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 Ehrenkrantz is a party.

Member surcharge	= \$ 1,100.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 1,700.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

January 18-20, 2005, adjournment by Respondents Ehrenkrantz, Nussbaum, King, Sackstein and Santanelli	= \$ 750.00
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Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. 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:

One (1) Pre-hearing session with Panel @ \$ 750.00	= \$ 750.00
Pre-hearing conference: July 12, 2004 1 session	
Five (5) Hearing sessions @ \$ 750.00	= \$ 3,750.00

February 23, 2005 1 session

Total Forum Fees = \$ 4,500.00

The Panel has assessed \$ 4,500.00 of the forum fees jointly and severally to Respondents Ehrenkrantz, Nussbaum, King, Sackstein and Santanelli.

Fee Summary

1. Claimant is assessed and shall pay:

Refund owed Claimant = \$ 750.00

2. Respondent Ehrenkrantz is assessed and shall pay:

Balance Due NASD Dispute Resolution	= \$	0.00
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3. Respondents Ehrenkrantz, Nussbaum, King, Sackstein and Santanelli are jointly and severally assessed shall pay:

Balance Due NASD Dispute Resolution	= \$	4,500.00
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All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

James W.A. Black - Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures

Alan L. Berger
Public Arbitrator, Presiding Chairperson

Signature Date

Karen J. Montgomery
Public Arbitrator, Panelist

Signature Date

James W.A. Black
Non-Public Arbitrator, Panelist

Signature Date

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

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Non-Public Arbitrator, Panelist

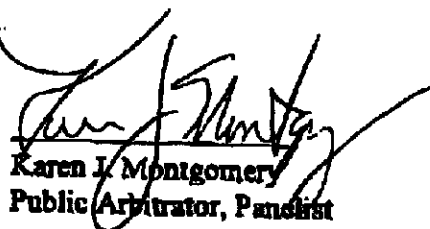
Signature Date

February 28, 2005
Date of Service (For NASD Dispute Resolution office use only)

Concurring Arbitrators' Signatures

Alan L. Berger
Public Arbitrator, Presiding Chairperson

Signature Date


Karen J. Montgomery
Public Arbitrator, Panelist

2/25/05
Signature Date

James W.A. Black
Non-Public Arbitrator, Panelist

Signature Date

February 28, 2005
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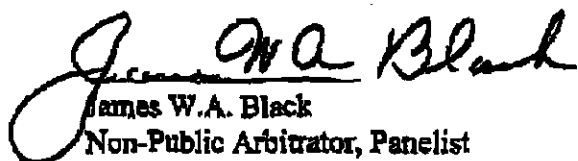
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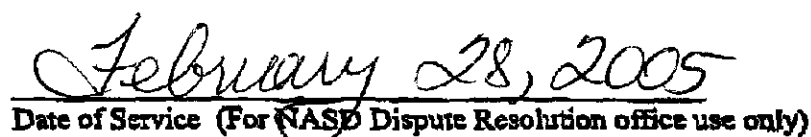
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