

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

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In the Matter of the Arbitration Between:

Michael Nadramia (Claimant) v. Garban, LLC and Ronald Purpora (Respondents)

Case Number: 04-01476

Hearing Site: New York, New York

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

**REPRESENTATION OF PARTIES**

Claimant Michael Nadramia ("Claimant"): Edward F. Westfield, Esq., Edward F. Westfield, P.C., New York, NY.

Respondents Garban, LLC ("Garban") and Ronald Purpora ("Purpora") hereinafter collectively referred to as "Respondents": Minjoo Lee, Esq., Carter Ledyard & Millburn, LLP, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: March 4, 2004.

Amended Statement of Claim filed on or about: May 11, 2004.

Reply to Counterclaim filed on or about: July 7, 2004.

Claimant signed the Uniform Submission Agreement: May 11, 2004.

Joint Statement of Answer and Garban's Counterclaim filed by Respondents on or about: June 28, 2004.

Garban signed the Uniform Submission Agreement: June 25, 2004.

Purpora signed the Uniform Submission Agreement: June 25, 2004.

**CASE SUMMARY**

Claimant asserted the following causes of action: violations of the New Jersey Conscientious Employee Protection Act; slander; libel; intentional interference with contract; intentional interference with prospective economic advantage; injurious falsehood, and prima facie tort.

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

In its Counterclaim, Garban asserted the following causes of action: breach of fiduciary duty and duty of loyalty; tortious interference with business relations and contract; misappropriation of confidential information, and unfair competition.

Unless specifically admitted in his Reply to the Counterclaim, Claimant denied the allegations of wrongdoing set forth and asserted various affirmative defenses.

### **RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$13,338,088.76; punitive damages in the amount of \$25,000,000.00; that the Panel enjoin the Respondents from any further violation of the New Jersey Conscientious Employee Protection Act; reinstate Claimant to his position as a repurchase agreement broker at Garban, or to an equivalent position, or award "front pay"; reinstate full fringe benefits and seniority rights; lost wages, benefits, and bonus monies; costs and attorneys' fees; and such other or further relief as the Panel may deem just and proper.

Respondents requested dismissal of the Statement of Claim in its entirety and for such other and further relief as the Panel seems just and proper.

Garban requested compensatory damages in the amount of \$1,000,000.00; punitive damages in the amount of \$1,000,000.00; that the Panel order Claimant to return all confidential information and to refrain from using or disclosing any confidential information; pre-award and post-award interest, and attorneys' fees and costs.

In his Reply to the Counterclaim, Claimant requested an award dismissing the Counterclaim, with prejudice; attorneys' fees and costs; and such other and further relief as the Panel may deem just and proper.

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

The parties unanimously agreed that the non-public arbitrator, Jerry DeNigris, serve as the Chairperson of the Panel in this matter.

On or about March 11, 2005, the Claimant notified NASD Dispute Resolution that the parties settled their disputes, fully and finally, and without admission of liability by any party.

As part of their settlement, the parties jointly requested that the Arbitration Panel issue an award (a) dismissing the Claim and Counterclaim with prejudice, with each party to bear its own fees of arbitration as assessed by the NASD, and (b) directing expungement of the "Reason for Termination" set forth in the April 1, 2003 Form U-5 Uniform Termination Notice for Securities Industry Registration filed by the company, and which stated said reason to be "Violations of company policies on confidentiality and conflicts of interest," and inserting in place and stead of such language as the "Reason for Termination," the language "Mutual separation."

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**

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimant's claims are dismissed with prejudice.
2. Respondent Garban's Counterclaims are dismissed with prejudice.
3. The parties shall each bear their own fees of arbitration, assessed by NASD Dispute Resolution, as set forth in the Fees section below.
4. The Panel recommends the expungement of that portion of Claimant's Form U-5 submitted by Garban, LLC, which states the reason for termination as "Other". The Panel orders CRD to expunge the accompanying explanation that states, "violations of company policies on confidentiality and conflicts of interest". The Panel also orders CRD to replace the original reason for termination as "voluntary" with an accompanying explanation that states, "Mutual separation". The expungement directive is made with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Claimant must obtain confirmation from a court of competent jurisdiction before CRD will execute the expungement directive.
5. 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	= \$ 600.00
Counterclaim filing fee	= \$2,000.00

#### **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. In this matter, Garban, LLC is a party.

Member Surcharge	= \$ 3,750.00
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Pre-Hearing Process Fee	= \$ 750.00
Hearing Process Fee	= \$ 5,500.00

### **Adjournment Fees**

The following adjournment fees are assessed:

March 29-31, 2005 joint adjournment request	= \$1,200.00
Claimant's share	= \$600.00
Respondents' share	= \$600.00

### **Forum Fees and Assessments**

The Panel assesses forum fees for each hearing session conducted. A hearing 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. Forum fees associated with these proceedings are:

Three (3) Pre-hearing conference sessions with a single arbitrator @ \$450.00 per session  
= \$1,350.00

Pre-hearing conferences:	January 14, 2005	2 sessions
	February 7, 2005	1 session

One (1) Pre-hearing conference session with the Panel @ \$1,200.00 per session = \$1,200.00

Pre-hearing conference: November 1, 2004 1 session

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Total Forum Fees = \$2,550.00

1. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure, Claimant has been assessed \$850.00 of the forum fees.
2. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure, Respondent Garban has been assessed \$850.00 of the forum fees.
3. In accordance with Rule 10306 of the NASD Code of Arbitration Procedure, Respondent Purpora has been assessed \$850.00 of the forum fees.

### **Fee Summary**

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 600.00
Adjournment Fee	= \$ 600.00
Forum Fees	= \$ 850.00
Total Fees	= \$ 2,050.00
Less payments	= \$ 1,800.00
Balance Due NASD Dispute Resolution	= \$ 250.00

2. Respondent Garban is solely liable for:

Counterclaim Filing Fee	= \$ 2,000.00
Member Fees	= \$10,000.00
Forum Fees	= \$ 850.00
Total Fees	= \$12,850.00
Less payments	= \$12,700.00
Balance Due NASD Dispute Resolution	= \$ 150.00

3. Respondent Purpora is solely liable for:

Forum Fees	= \$ 850.00
Total Fees	= \$ 850.00
Less payments	= \$ 0.00
Balance Due NASD Dispute Resolution	= \$ 850.00

4. Respondents are jointly and severally liable for:

Adjournment Fee	= \$ 600.00
Total Fees	= \$ 600.00
Less payments	= \$ 500.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 100.00

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

**ARBITRATION PANEL**

Jerry P. DeNigris	-	Non-Public Arbitrator, Presiding Chair
Robert Bennett	-	Public Arbitrator
Charles H. B. Braisted	-	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 is which is my award.



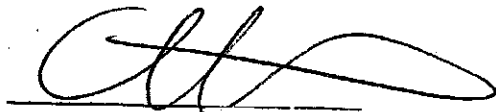
Jerry P. DeNigris  
Non-Public Arbitrator, Presiding Chair

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Signature Date



Robert Bennett  
Public Arbitrator

2/28/06  
Signature Date



Charles H. B. Braisted  
Non-Public Arbitrator

2/25/06  
Signature Date

March 6, 2006  
Date of Service (For NASD office use only)