

Award
NASD Dispute Resolution

Wilder Richman Securities Corporation vs. John F. Lawrence vs. Richard P. Richman, Stephen B. Smith, David L. Salzman, and The Richman Group Affordable Housing Corporation.

Case Number: 04-01906

Hearing Location: Washington, D.C.

Nature of the Dispute: Member vs. Associated Person.

REPRESENTATION OF PARTIES

Claimant, Wilder Richman Securities Corporation, hereinafter referred to as "Claimant", was represented by Robert W. Turken, Esq., Bilzin Sumberg Baena Price & Axelrod, LLP, Miami, Florida.

Respondent/Counter-Claimant/Third-Party Claimant, John F. Lawrence ("Lawrence") was represented by Brian P. Daniels, Esq., Brenner Saltzman & Wallman, LLP, New Haven, Connecticut.

Third-Party Respondents, Richard P. Richman ("Richman"), Stephen B. Smith ("Smith"), David L. Saltzman ("Saltzman"), and The Richman Group Affordable Housing Corporation ("RGAHC"), were represented by Robert W. Turken, Esq., Bilzin Sumberg Baena Price & Axelrod, LLP, Miami, Florida.

CASE INFORMATION

Statement of Claim filed on March 19, 2004.

Amended Statement of Claim filed on March 17, 2005.

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

Claimant filed a Reply and Objection to Respondent Lawrence's Counterclaim on May 23, 2005.

Respondent Lawrence filed a Statement of Answer to Amended Statement of Claim, Counterclaim and Third-Party Claim on April 30, 2005.

Respondent Lawrence signed the Uniform Submission Agreement on April 29, 2005.

Third-Party Claimant Lawrence filed an Opposition to Third-Party Respondents' Motion to Dismiss on July 18, 2005.

Third-Party Respondents, Richman, Smith, Saltzman, and RGAHC filed a Motion to Dismiss and Answer to Third-Party Claim on June 23, 2005.

Third-Party Respondents, Richman, Smith, Saltzman, and RGAHC, filed a Reply to Third-Party Claimant's Opposition to Motion to Dismiss on August 8, 2005.

CASE SUMMARY

The Statement of Claim involves a dispute between a Member Firm and its former Associated Person over payment of commissions. Claimant asserted the following cause of action: breach of contract.

Unless specifically admitted in his Answer, Respondent Lawrence denied the allegations made in the Statement of Claim and asserted the following defense: Claimant fails to allege any cause of action for which relief may be granted.

In his Counterclaim and Third-Party Claim, Respondent Lawrence asserted the following causes of action: breach of contract, breach of the covenant of good faith and fair dealing, fraud, unfair competition and unfair/deceptive business practices, and unjust enrichment.

RELIEF REQUESTED

Claimant, in its Statement of Claim and Amended Statement of Claim requested unspecified compensatory damages, attorneys' fees, costs, declaratory judgement, and restitution of Post-Termination Payments to which, Claimant alleged, Respondent Lawrence was not entitled.

Respondent Lawrence in his Counterclaim and Third-Party Claim requested unspecified compensatory damages, punitive damages, pre-award interest, attorneys' fees, declaratory judgement, and an award in the amount of any unjust enrichment received by Richman, Smith, Saltzman, and RGAHC.

Third-Party Respondents requested in their Answer and Motion to Dismiss that the Arbitration Panel (the "Panel") dismiss the Third-Party Claim.

OTHER ISSUES CONSIDERED AND DECIDED

Third-Party Respondents Richman, Smith, Saltzman, and RGAHC did not file with NASD Dispute Resolution, properly executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, appeared and testified at the hearing, are bound by the determination of the Panel on all issues submitted.

On August 11, 2005, the Panel denied Third-Party Respondents' Motion to Dismiss.

On August 18, 2005, Third-Party Claimant Lawrence dismissed his claims against The Richman Group without prejudice. The Richman Group consented to a dismissal without prejudice.

At the hearing, Third-Party Respondents Richman and Saltzman moved the Panel to

dismiss Lawrence's fraud claim. The Panel deferred ruling until the end of the case. At the close of the case the Panel did not make a finding of fraud as to Respondents Richman, Salzman, and Smith.

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

1. All Claimant Wilder Richman's claims against Respondent Lawrence are denied in their entirety;
2. Claimant Wilder Richman and Third-Party Respondent Richman are liable to and shall pay to Respondent/Third-Party Claimant Lawrence compensatory damages in the amount of \$1,400,000.00;
3. All claims for punitive damages and attorneys' fees are denied in their entirety;
4. The parties shall bear their respective costs, except as Fees are specifically addressed below; and
5. 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 = \$ 500.00

Counter claim/ Third Party Claim filing fee = \$ 250.00

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 person(s) at the time of the events giving rise to the dispute. Accordingly, Claimant Wilder Richman is a party.

Member surcharge = \$ 1,500.00

Pre-hearing process fee = \$ 750.00

Hearing process fee	= \$ 2,200.00
Total Member Fees	= \$ 4,450.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted. A session is any meeting between the parties and the 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) Pre-hearing sessions with a single arbitrator @ \$450.00	= \$ 1,350.00
Pre-hearing conferences: September 13, 2005	2 sessions
October 12, 2005	1 session

Two (2) Pre-hearing sessions with Panel @ \$1,000.00	= \$ 2,000.00
Pre-hearing conferences: August 11, 2005	1 session
May 1, 2006	1 session

Forty one (41) Hearing sessions @ \$1,000.00	= \$41,000.00
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Hearing Dates:	February 8, 2006	2 sessions
	February 9, 2006	2 sessions
	February 27, 2006	2 sessions
	February 28, 2006	2 sessions
	March 1, 2006	2 sessions
	March 28, 2006	2 sessions
	March 29, 2006	2 sessions
	March 30, 2006	2 sessions
	April 25, 2006	2 sessions
	April 26, 2006	2 sessions
	April 27, 2006	2 sessions
	May 10, 2006	2 sessions
	May 11, 2006	2 sessions
	May 12, 2006	2 sessions
	July 6, 2006	2 sessions
	July 7, 2006	2 sessions
	July 20, 2006	2 sessions
	July 21, 2006	3 sessions
	September 6, 2006	2 sessions
	September 7, 2006	2 sessions

Total Forum Fees	= \$44,350.00
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1. The Panel has assessed \$22,175.00 of the forum fees jointly and severally to Claimant Wilder Richman and Third-Party Respondent Richman;
2. The Panel has assessed \$22,175.00 of the forum fees to Respondent/Third-Party Claimant Lawrence.

FEE SUMMARY

1. Claimant Wilder Richman is assessed and shall pay the following fees:

Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 4,450.00
Total Fees	= \$ 4,950.00
Less payments	= \$ 4,950.00
Balance Due NASD Dispute Resolution	= \$ 00.00

2. Respondent Lawrence is assessed and shall pay the following fees:

Counterclaim/Third-Party Claim Filing Fee	= \$ 250.00
Forum Fees	= \$22,175.00
Total Fees	= \$22,425.00
Less payments	= \$ 1,200.00
Balance Due NASD	= \$21,225.00

3. Claimant Wilder Richman and Third-Party Respondent Richman are assessed and shall pay the following fees:

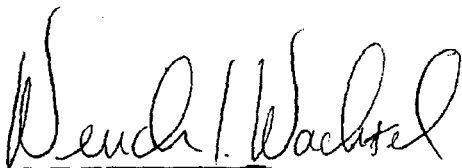
Forum Fees	= \$22,175.00
Total Fees	= \$22,175.00
Less payments	= \$ 1,000.00
Balance Due NASD Dispute Resolution	= \$21,175.00

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

ARBITRATION PANEL

Wendie L. Wachtel	-	Non-Public Arbitrator, Presiding Chairperson
Karen V. Cunningham	-	Non-Public Arbitrator, Panelist
Jehangir Fuller Varzi	-	Non-Public Arbitrator, Panelist

Concurring Arbitrators' Signatures



Wendie L. Wachtel
Non-Public Arbitrator, Presiding Chairperson

9/13/06

Signature Date

Karen V. Cunningham
Non-Public Arbitrator, Panelist

Signature Date

Jehangir Fuller Varzi
Non-Public Arbitrator, Panelist

Signature Date

September 18 2006

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

Concurring Arbitrators' Signatures

Wendie L. Wachtel
Non-Public Arbitrator, Presiding Chairperson

Signature Date



Karen V. Cunningham
Non-Public Arbitrator, Panelist

9-13-06
Signature Date

Jehangir Fuller Varzi
Non-Public Arbitrator, Panelist

Signature Date

September 18, 2006
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Concurring Arbitrators' Signatures

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Non-Public Arbitrator, Presiding Chairperson

Signature Date

Karen V. Cunningham
Non-Public Arbitrator, Panelist

Signature Date


Jehangir Fuller Varzi
Non-Public Arbitrator, Panelist

9/15/2006
Signature Date

September 18, 2006
Date of Service (For NASD Dispute Resolution office use only)