

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Richard E. Waks (Claimant) vs. JP Morgan Securities, Inc., f/k/a JP Morgan Chase & Co., f/k/a Chase H & Q, A Division of Chase Securities, Inc. (Respondent)

Case Number: 04-02062

Hearing Site: New York City, New York

Nature of the Dispute: Associated Person v. Member

REPRESENTATION OF PARTIES

Richard E. Waks hereinafter referred to as "Claimant": Mitchell B. Ludwig, Esq., Knapp, Petersen & Clark, Glendale, CA. Previously represented by Stephen B. Goldberg, Esq., Spierer, Woodward, Corbalis & Goldberg, Redondo Beach, CA.

Respondent JP Morgan Securities, Inc., f/k/a JP Morgan Chase & Co., f/k/a Chase H & Q, A Division of Chase Securities, Inc., hereinafter referred to as "Respondent": Kristen Peters, Esq., Fullbright & Jaworski, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 25, 2004.

Amended Statement of Claim filed on or about: October 14, 2004.

Reply to Counterclaim filed on or about: November 11, 2004.

Claimant signed the Uniform Submission Agreement: March 10, 2004.

Statement of Answer and Counterclaim filed on or about: October 29, 2004.

Sur-Reply filed on or about: December 9, 2004.

Amended Answer filed on or about: December 23, 2004.

Respondent signed the Uniform Submission Agreement: November 3, 2004.

CASE SUMMARY

Claimant asserted the following causes of action: breach of employment contract and violation of New York Labor Law.

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

Respondent asserted the following causes of action in its Counterclaim: abuse of legal process and breach of release agreement.

Unless specifically admitted in its Answer, Claimant denied the allegations made in the Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested that the options be extended to their original ten-year maturity date. In the alternative, Claimant requested compensatory damages in the amount of \$125,000.00 plus interest at the legal rate; forum fees; attorneys' fees; witness fees; production fees; other unspecified case related costs and other and further relief as is just and appropriate.

Respondent requested that the Statement of Claim be denied in its entirety; that it be awarded unspecified monetary damages; attorneys' fees and costs.

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 \$126,000.00.
2. Respondent's Counterclaim is denied in its entirety.
3. Any and all relief not specifically addressed herein 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	= \$ 300.00
Counterclaim filing fee	= \$ 500.00

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. Accordingly, JP Morgan Securities, Inc., is a party.

Member surcharge	= \$ 1,700.00
Pre-hearing process fee	= \$ 750.00
<u>Hearing process fee</u>	<u>= \$ 2,750.00</u>
Total Member Fees	= \$ 5,200.00

Adjournment Fees

Adjournments granted during these proceedings for which fees were assessed:

April 13-15, 2005 adjournment requested by Respondent = \$ 1,125.00

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:

One (1) Pre-hearing session with a single arbitrator @ \$450.00 = \$ 450.00
Pre-hearing conference: July 6, 2005 1 session

One (1) Pre-hearing session with Panel @ \$1,125.00 = \$ 1,125.00
Pre-hearing conference: December 28, 2004 1 session

Six (6) Hearing sessions @ \$1,125.00 = \$ 6,750.00
Hearing Dates: July 19, 2005 2 sessions
July 20, 2005 2 sessions
July 21, 2005 2 sessions

Total Forum Fees = \$ 8,325.00

The Panel has assessed \$8,325.00 of the forum fees against the Respondent.

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 not limited to, additional copies of arbitrator awards, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

Respondent requested copies of tapes of the July 19-21, 2005 hearings = \$ 165.00

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$	300.00
Total Fees	= \$	300.00
Less payments	= \$	1,425.00
Refund Due Claimant	= \$	1,125.00

2. Respondent is solely liable for:

Counterclaim Filing Fee	= \$	500.00
Member Fees	= \$	5,200.00
Adjournment Fee	= \$	1,125.00
Forum Fees	= \$	8,325.00
<u>Administrative Costs</u>	= \$	165.00
Total Fees	= \$	15,315.00
Less payments	= \$	6,865.00
Balance Due NASD Dispute Resolution	= \$	8,450.00

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

ARBITRATION PANEL

Anthony George Gero	-	Non-Public Arbitrator, Presiding Chairperson
Robert W. Kenter	-	Non-Public Arbitrator
Arthur M. Schoenberger	-	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.



Anthony George Gero
Non-Public Arbitrator, Presiding Chairperson

12/22/05
Signature Date

Robert W. Kenter
Non-Public Arbitrator

Signature Date

Arthur M. Schoenberger
Non-Public Arbitrator

Signature Date

December 22, 2005

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Anthony George Gero	-	Non-Public Arbitrator, Presiding Chairperson
Robert W. Kanter	-	Non-Public Arbitrator
Arthur M. Schoenberger	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

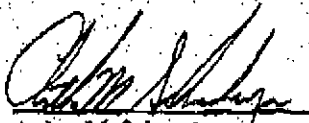
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Anthony George Gero
Non-Public Arbitrator, Presiding Chairperson

Signature Date

Robert W. Kanter
Non-Public Arbitrator

Signature Date



Arthur M. Schoenberger
Non-Public Arbitrator

12/21/05

Signature Date

December 22, 2005

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