

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Robert Notine, III and Estate of Robert Notine, Jr. (Claimants) v. LH Ross & Co., Inc. and
Franklyn R. Michelin (Respondents)

Case Number: 04-06286

Hearing Site: New York, New York

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

REPRESENTATION OF PARTIES

Claimants Robert Notine, III and Estate of Robert Notine, Jr. ("the Estate") hereinafter referred to as "Claimants": Spencer Mazyck, Esq., Lazare Potter Giacobas & Kranjac, LLP, New York, NY.

Respondent LH Ross & Co. ("LH Ross") did not enter an appearance in this matter.

Respondent Franklyn R. Michelin ("Michelin") did not enter an appearance in this matter.

CASE INFORMATION

Statement of Claim filed on or about: September 1, 2004.

Claimants signed the Uniform Submission Agreement: August 27, 2004.

Respondent LH Ross did not file a Statement of Answer or sign the Uniform Submission Agreement.

Respondent Michelin did not file a Statement of Answer or sign the Uniform Submission Agreement.

CASE SUMMARY

Claimants asserted the following causes of action: unsuitability; fraudulent sales practices; unauthorized trading; breach of contract; and breach of fiduciary duty. The causes of action relate to shares of Series "D" Preferred Stock from a private placement in the Public Offering of LH Ross.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$39,900.00; costs and disbursements, including reasonable attorneys' fees; pre- and post-award interest; punitive damages; and such other and further relief as the arbitrators may deem just and proper.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators (the "Panel") determined that Respondents LH Ross and Michelin have 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 Respondents present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Respondents LH Ross and Michelin did not file with NASD Dispute Resolution properly executed Uniform Submission Agreements but are required to submit to arbitration pursuant to the Code and are bound by the determination of the Panel on all issues submitted.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and Claimants' post-hearing submission, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimants compensatory damages, inclusive of interest in the amount of \$47,939.85, plus post-award interest at the rate of 9% per annum from April 27, 2005 through the date of payment of the award.
2. Respondents are jointly and severally liable for and shall pay to Claimants punitive damages in the amount of \$750,000.00 in accordance with Mastrobuono v. Shearson Lehman Hutton, Inc., 514 U.S. 52, 60-61 (1995).
3. Respondents are jointly and severally liable for and shall pay to Claimants attorneys' fees in the amount of \$9,954.71 in accordance with NYGBL 349.
4. Respondents are jointly and severally liable for and shall pay to Claimants the sum of \$175.00, to reimburse Claimants for the filing fee previously paid to NASD Dispute Resolution.
5. 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 = \$175.00

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, LH Ross & Co., Inc. is a party.

Member surcharge	= \$ 875.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$1,000.00

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:

Two (2) Pre-hearing sessions with Panel @ \$600.00	= \$1,200.00
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Pre-hearing conferences:	January 14, 2005	1 session
	January 20, 2005	1 session

One (1) Hearing session @ \$600.00	= \$ 600.00
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Hearing Date:	April 27, 2005	1 session
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Total Forum Fees	= \$1,800.00
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1. The Panel has assessed \$1,800.00 of the forum fees jointly and severally against Respondents.

Fee Summary

1. Claimants is jointly liable for:

<u>Initial Filing Fee</u>	= \$ 175.00
<u>Total Fees</u>	= \$ 175.00
<u>Less payments</u>	= \$ 775.00
Refund due to Claimants	= \$ 600.00

As stated in the "Award" section above, Respondents are jointly and severally liable for and shall reimburse Claimants for the \$175.00 filing fee.

2. Respondent LH Ross is solely liable for:

<u>Member Fees</u>	= \$2,625.00
<u>Total Fees</u>	= \$2,625.00
<u>Less payments</u>	= \$1,625.00
Balance Due NASD Dispute Resolution	= \$1,000.00

3. Respondents are jointly and severally liable for:

<u>Forum Fees</u>	= \$1,800.00
<u>Total Fees</u>	= \$1,800.00
<u>Less payments</u>	= \$ 0.00
<u>Balance Due NASD Dispute Resolution</u>	= \$1,800.00

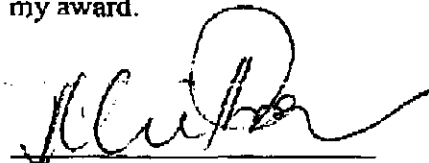
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Krishnan S. Chittur, Esq.	-	Public Arbitrator, Presiding Chairperson
Diane Ciccone, Esq.	-	Public Arbitrator
Carl A. Goldman	-	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.



Krishnan S. Chittur, Esq.
Public Arbitrator, Presiding Chairperson

May 13, 2005
Signature Date

Diane Ciccone, Esq.
Public Arbitrator

Signature Date

Carl A. Goldman
Non-Public Arbitrator

Signature Date

May 17, 2005

Date of Service (For NASD Dispute Resolution use only)

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Signature Date

Diane Ciccone, Esq.
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Carl A. Goldman
Non-Public Arbitrator



Signature Date

May 17, 2005

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