

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

J.B. Hanauer & Co., (Claimant) v. Michael Napoli (Respondent)

Case Number: 04-06726

Hearing Site: New York, New York

Nature of the Dispute: Member v. Associated Person

REPRESENTATION OF PARTIES

Claimant J.B. Hanauer & Co. hereinafter referred to as "Claimant": David J. Butler, Esq., Dillon, Bitar & Luther, LLC, Morristown, NJ.

Respondent Michael F. Napoli hereinafter referred to as "Respondent": John Napoli, Esq., Seyfarth Shaw LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: September 22, 2004.

Claimant signed the Uniform Submission Agreement: September 22, 2004.

Statement of Answer filed by Respondent on or about: December 13, 2004.

Respondent signed the Uniform Submission Agreement: December 13, 2004.

CASE SUMMARY

Claimant asserted the following cause of action: breach of promissory note agreement.

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

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$85,197.72; pre-judgment and post-judgment interest at the rate of 12% per annum; attorneys' fees; costs of suit; and such other and further relief as is just and appropriate.

Respondent requested that the Statement of Claim be dismissed in its entirety; costs and disbursements, including attorneys' fees, incurred in defending and prosecuting this proceeding;

and such other and further relief as the Panel may deem just and proper.

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, 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 \$85,197.72.00.
2. 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 = \$ 1,000.00

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. Accordingly, J.B. Hanauer & Co., is a party.

Member surcharge = \$ 1,100.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$ 1,700.00

Total Member Fees = \$ 3,550.00

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: August 2, 2005 1 session

One (1) Pre-hearing session with Panel @ \$750.00 per session = \$ 750.00

Pre-hearing conference: April 4, 2005 1 session

Four (4) Hearing sessions @ \$750.00 per session = \$ 3,000.00

Hearing Dates: September 27, 2005 2 sessions
September 28, 2005 2 sessions

Total Forum Fees	= \$ 4,200.00
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1. The Panel has assessed \$4,200.00 of the forum fees to the Claimant.

Fee Summary

- 1. Claimant is solely liable for:**

Initial Filing Fee	= \$ 1,000.00
Member Fees	= \$ 3,550.00
<u>Forum Fees</u>	<u>= \$ 4,200.00</u>
Total Fees	= \$ 8,750.00
<u>Less payments</u>	<u>= \$ 5,300.00</u>
Balance Due NASD Dispute Resolution	= \$ 3,450.00

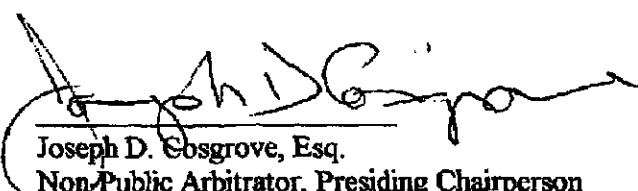
All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

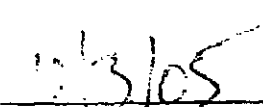
Joseph D. Cosgrove, Esq.	-	Non-Public Arbitrator, Presiding Chairperson
Earl S. Schwarz	-	Non-Public Arbitrator
Maria C. Hermida, Esq.	-	Non-Public Arbitrator

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.



Joseph D. Cosgrove, Esq.
Non-Public Arbitrator, Presiding Chairperson



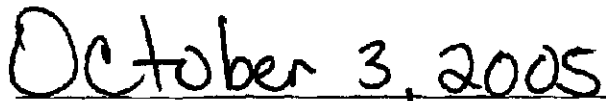
Signature Date

Earl S. Schwarz
Non-Public Arbitrator

Signature Date

Maria C. Hermida, Esq.
Non-Public Arbitrator

Signature Date



Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Joseph D. Cosgrove, Esq.	-	Non-Public Arbitrator, Presiding Chairperson
Earl S. Schwarz	-	Non-Public Arbitrator
Maria C. Hermida, Esq.	-	Non-Public Arbitrator

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Joseph D. Cosgrove, Esq.
Non-Public Arbitrator, Presiding Chairperson

Earl S. Schwarz
Non-Public Arbitrator

Maria C. Hermida, Esq.
Non-Public Arbitrator

Signature Date

Signature Date

Signature Date

October 3, 2005
Date of Service (For NASD Dispute Resolution use only)

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Joseph D. Cosgrove, Esq.
Non-Public Arbitrator, Presiding Chairperson

Signature Date

Earl S. Schwarz
Non-Public Arbitrator

Signature Date

Maria C. Hermida

Maria C. Hermida, Esq.
Non-Public Arbitrator

SEPTEMBER 30, 2005

Signature Date

October 3, 2005

Date of Service (For NASD Dispute Resolution use only)