

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

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In the Matter of the Arbitration Between:

Citadel Derivatives Group, LLC (Claimant) vs. AGS Specialist Partners (Respondent)

Case Number: 05-00478

Hearing Site: New York, New York

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Nature of the Dispute: Member vs. Non-Member

**REPRESENTATION OF PARTIES**

Claimant Citadel Derivatives Group, LLC hereinafter referred to as ("Claimant"): F. Joseph Warin, Esq., and Andrew S. Tulumello, Esq., Gibson, Dunn & Crutcher, LLP Washington, DC.

Respondent AGS Specialist Partners hereinafter referred to as ("Respondent"): Alfred Ferrer, III, Esq., and Timothy P. Kebbe, Esq., Brunelle & Hadjikow, P.C. New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: January 27, 2005.

Claimant signed the Uniform Submission Agreement: January 26, 2005.

Statement of Answer filed by Respondent on or about: April 22, 2005.

Respondent signed the Uniform Submission Agreement: April 8, 2005.

**CASE SUMMARY**

Claimant asserted the following causes of action: breach of contract, negligence, and unjust enrichment. The causes of action relate to orders to trade in TASER International options on the American Stock Exchange.

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

**RELIEF REQUESTED**

Claimant requested compensatory damages in an unspecified amount, disgorgement of unjust enrichment, interest, attorneys' fees, costs and expenses, expert fees, and such other relief as the Panel may deem just and proper.

Respondent requested the dismissal of Claimant's claims with prejudice, award of costs, attorneys' fees, forum fees, sanctions, expenses, and such other relief as the Panel may deem

just, equitable and proper.

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

At the hearing in this matter, Respondent filed a Motion for a Directed Verdict. After due deliberation, the Panel denied the Motion.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be executed.

### **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 \$122,308.00 plus interest at the rate of nine percent per annum from January 12, 2005 until thirty days after the date of the award.
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	= \$ 500.00
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#### **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 persons at the time of the events giving rise to the dispute. Accordingly, Citadel Derivatives Group, LLC is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

AGS Specialist Partners is a member of the American Stock Exchange that has an agreement to use the NASD Dispute Resolution forum.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 2,200.00

#### **Forum Fees and Assessments**

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. 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:

Four (4) Pre-hearing sessions with a single arbitrator @ \$450.00/session = \$ 1,800.00

Pre-hearing conferences:      January 4, 2006      1 session  
   January 5, 2006      1 session  
   January 13, 2006      1 session  
   March 17, 2006      1 session

One (1) Pre-hearing sessions with Panel @ \$1,000.00/session = \$ 1,000.00

Pre-hearing conferences:      July 6, 2005      1 session

Twelve (12) Hearing sessions @ \$1,000.00/session = \$ 12,000.00

Hearing Dates:              January 18, 2006      2 sessions  
   January 19, 2006      2 sessions  
   January 23, 2006      2 sessions  
   January 24, 2006      2 sessions  
   March 21, 2006      2 sessions  
   March 22, 2006      2 sessions

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Total Forum Fees = \$ 14,800.00

1. The Panel has assessed \$7,400.00 of the forum fees to Claimant.
2. The Panel has assessed \$7,400.00 of the forum fees to Respondent.

#### Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 500.00
Member Fees	= \$ 4,450.00
<u>Forum Fees</u>	= \$ 7,400.00
Total Fees	= \$ 12,350.00
<u>Less payments</u>	= \$ 5,950.00
Balance Due NASD Dispute Resolution	= \$ 6,400.00

2. Respondent is solely liable for:

Member Fees	= \$ 4,450.00
<u>Forum Fees</u>	= \$ 7,400.00
Total Fees	= \$ 11,850.00
<u>Less payments</u>	= \$ 2,250.00
Balance Due NASD Dispute Resolution	= \$ 9,600.00

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

**ARBITRATION PANEL**

Louis H. Miron, Esq.	- Public Arbitrator, Presiding Chairperson
Kenneth Diamond, Esq.	- Public Arbitrator
Stanley F. Meyerson, 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.



Louis H. Miron, Esq.  
Public Arbitrator, Presiding Chairperson

5-4-06  
Signature Date

Kenneth Diamond, Esq.  
Public Arbitrator

Signature Date

Stanley F. Meyerson, Esq.  
Non-Public Arbitrator

Signature Date

May 5, 2006  
Date of Service (For NASD Dispute Resolution use only)

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Public Arbitrator

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