

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Shoou-Chyn Kan (Claimant) vs. Steven Wang, Dennis Maloney and Kenneth Chee (Respondents) vs. Unise Investment Corp. (Third Party Respondent)

Case Number: 05-00781

Hearing Site: New York, New York

Nature of the Dispute: Associated Person vs. Associated Persons vs. Member

REPRESENTATION OF PARTIES

Claimant Shoou-Chyn Kan ("Kan") hereinafter referred to as "Claimant": Vincent J. Balzano, Esq., New York, NY.

Respondents Steven Wang ("Wang"), Dennis Maloney ("Maloney") and Kenneth Chee ("Chee"), hereinafter collectively referred to as "Respondents": Barbara J. Glenss, Esq., New York, NY.

Third Party Respondent Unise Investment Corp. ("Unise") hereinafter "Third Party Respondent": Shoou-Chyn Kan, Flushing, NY.

CASE INFORMATION

Statement of Claim filed on or about: February 11, 2005.

Claimant signed the Uniform Submission Agreement: February 10, 2005.

Statement of Answer, Counterclaim, Third Party Claim and Motion to Dismiss filed by Respondents on or about: April 8, 2005.

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

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

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

Statement of Answer filed by Third Party Respondent on or about: May 11, 2005.

Third Party Respondent did not submit the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following cause of action: defamation. The cause of action involves the clearing and consulting agreement between the parties.

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

In their Counterclaim, Respondents asserted the following causes of action: misrepresentation and breach of contract.

In their Third-Party Claim, Respondents asserted the following cause of action: misrepresentation.

Unless specifically admitted in its Answer, Third Party 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 \$100,000.00, punitive damages in the amount of \$250,000.00, forum fees in the amount of \$3,000.00, attorneys' fees in the amount of \$5,000.00, and costs in the amount of \$2,000.00.

In their Counterclaim, Respondents requested unspecified damages for attorneys' fees, expenses, costs and interest.

In their Third-Party Claim, Respondents requested unspecified damages for attorneys' fees, expenses, costs and interest.

OTHER ISSUES CONSIDERED AND DECIDED

Third Party Respondent Unise did not file with NASD Dispute Resolution a properly executed Uniform Submission Agreement but is required to submit to arbitration pursuant to the Code and having answered the claim, appeared and testified at the hearing, is bound by the determination of the Panel on all issues submitted.

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.

ARBITRATORS' REPORT

The Arbitrators, having read the pleadings filed by the parties, heard the witnesses and reviewed the exhibits, and having judged the credibility of the witnesses, and having duly deliberated, hereby issue the following Award in the above arbitration:

The Arbitration was commenced by the Claimant, Shooou-Chyn Kan ("Kan") against Respondents Steven Wang ("Wang"), Dennis Maloney ("Maloney") and Kenneth Chee ("Chee"). The Respondents filed a Third Party Claim against Unise Investment Corp. ("Unise"). Hearings were conducted on May 8, 9, 11 and 15, 2006. Prior to the close of the hearings, all claims against Respondent Chee were dismissed. The proceedings continued against Respondents Wang and Maloney.

Kan essentially seeks compensation for causing accounts previously serviced by Unise, a broker-dealer that she operated, to be transferred to Wang Investment Associates, Inc. ("WIA"), a broker-dealer operated by Respondent Wang. Most of the brokers formerly associated with Unise also joined WIA after Unise ceased doing business.

After hearing the evidence, the panel finds that the Respondent Wang received an economic benefit from Kan and Unise in the form of commissions earned on brokerage accounts that WIA received upon the transfer of the former Unise accounts to WIA, and through the broker relationships that WIA acquired from Kan and Unise. As such, Wang, through his interest in WIA, was enriched by the value of the Unise accounts that his business received, as well as by the ongoing business that was generated from such accounts. The evidence reflected a recognition by Wang that he was in fact receiving a benefit, although the parties were unable to come to an agreement on the amount of compensation to be paid to Kan, or the form that that compensation should take.

The issue is one of valuation. In that regard, the burden was on the Claimant to demonstrate the value of the benefit that Wang, through WIA, received. The panel declines to accept, as too speculative, Kan's valuation as set forth in Claimant's exhibit 101. Instead, after due deliberation, the panel awards Kan the sum of Seventy Five Thousand Dollars (\$75,000) which it deems to be the fair value of the benefit that Wang received.

This award is in favor of Claimant Kan and against Respondent Wang only. The panel views Wang, WIA's CEO, as the recipient of the economic benefit conferred by the accounts and by the broker relationships. He clearly received the ultimate benefit conferred. This is evidenced not only by his relationship to WIA, but by the fact that he personally paid Kan's Mother various amounts that were technically owed to Kan by the business.

All claims against Maloney and Unise are dismissed. As set forth above, all claims against Chee were dismissed prior to the close of the hearings.

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 Wang is liable for and shall pay to Claimant compensatory damages in the amount of \$75,000.00.
2. Respondents' Counterclaim and Third Party Claim are dismissed in their entirety.
3. Any and all relief not specifically addressed herein, including punitive damages, 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

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 firm that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, Unise Investment Corp. is a party.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

Wang Investment Associates, Inc. is the Respondents' firm.

Member surcharge	= \$1,700.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$2,750.00

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:

One (1) Decision on discovery-related motion on the papers
with (1) one arbitrator @ \$200.00 = \$ 200.00
Respondent submitted one discovery-related motion

One (1) Pre-hearing session with Panel @ \$1,125.00/session = \$1,125.00
Pre-hearing conference: September 13, 2005 1 session

Eight (8) Hearing sessions @ \$1,125.00/session = \$9,000.00	
Hearing Dates:	May 8, 2006 2 sessions
	May 9, 2006 2 sessions
	May 11, 2006 2 sessions
	May 15, 2006 2 sessions

Total Forum Fees = \$10,325.00

1. The Panel has assessed \$5,162.50 of the forum fees to Kan.
2. The Panel has assessed \$5,162.50 of the forum fees to Wang.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$5,162.50
Total Fees	= \$5,462.50
Less payments	= \$1,425.00
Balance Due NASD Dispute Resolution	= \$4,037.50

2. Respondent Unise is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$5,200.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Wang Investment Associates, Inc. is solely liable for:

Member Fees	= \$5,200.00
Total Fees	= \$5,200.00
Less payments	= \$1,700.00
Balance Due NASD Dispute Resolution	= \$3,500.00

4. Respondents are jointly and severally liable for:

Filing Fee	= \$ 250.00
Total Fees	= \$ 250.00
Less payments	= \$ 250.00
Balance Due NASD Dispute Resolution	= \$ 0.00

5. Respondent Wang is solely liable for:

Forum Fees	= \$5,162.50
Total Fees	= \$5,162.50
Less payments	= \$1,000.00
Balance Due NASD Dispute Resolution	= \$4,162.50

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

ARBITRATION PANEL

Robert B. Davidson, Esq.	-	Public Arbitrator, Presiding Chairperson
Jerome Leibowitz	-	Public Arbitrator
Paul J. Camilleri, Esq.	-	Non-Public Arbitrator

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.

Concurring Arbitrators' Signatures

Robert B. Davidson
Robert B. Davidson, Esq.
Public Arbitrator, Presiding Chairperson

6/14/06
Signature Date

Jerome Leibowitz
Public Arbitrator

Signature Date

Paul J. Camilleri, Esq.
Non-Public Arbitrator

Signature Date

June 21, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

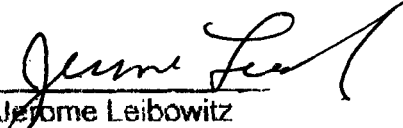
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