

N.A.S.D. STIPULATED AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Boenning & Scattergood, Inc.

92-02823

Name of Respondent

Michael J. Walsh, Jr.

REPRESENTATION

For Claimant Boenning & Scattergood, Inc. ("Claimant"): Michael E. Scullin, Esq. of the law firm of Monteverde & Hemphill

For Respondent Michael J. Walsh, Jr. ("Respondent"): Stuart J. Guber, Esq. of the law firm of Berger & Montague, P.C.

CASE INFORMATION

Statement of Claim filed on: August 20, 1992.

Claimant's Submission Agreement signed on: August 14, 1992.

Respondent did not file a Statement of Answer nor did he sign a Submission Agreement.

HEARING INFORMATION

Hearing Date/Sessions: April 21, 1994, one session

Hearing Location: NASD Offices - Philadelphia, PA.

CASE SUMMARY

Claimant alleged that Respondent, a former employee of the Claimant, upon termination of his employment with Claimant maintained a commission and draw account which contained a debit balance of \$85,783.51. Claimant alleged that the debit was incurred primarily as the result of Claimant's advances to Respondent

which were in excess of Respondent's salary and commissions earned over a period of years. Claimant alleged that it notified Respondent of the debit in his commission and draw account and he never denied owing Claimant for the debit balance. Claimant alleged that Respondent was notified that the debit balance remained due and owing and that Respondent failed to pay off his debt.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$85,783.00, interest in the amount of \$7,875, plus attorney's fees in the approximate amount of \$10,000 and all costs incurred in the arbitration.

OTHER ISSUES CONSIDERED & DECIDED

Upon the request of the parties, the Panel has agreed to sign this stipulated award.

STIPULATED AWARD

The undersigned, attorneys for Claimant, Boenning & Scattergood, Inc. and Respondent, Michael J. Walsh, Jr. hereby stipulate and agree as follows:

1. On behalf of our clients, we have agreed to stipulate to the entry of an award and judgment in the amount of \$93,382.40, calculated as follows: \$90,000.00 award, plus interest at \$3,382.40. This understanding is conditioned on Mr. Walsh's return of his 30 shares of Boenning & Scattergood stock within ten (10) days, in which case he will be credited with the book value of those shares as reflected in Boenning & Scattergood's 1993 audited financial statement, at \$296.40 per share, or \$8,882.40. The balance owing at that time will be \$84,500.00.
2. Respondent will pay Claimant \$5,000.00 within ten (10) days.
3. The Respondent will immediately make a good faith effort satisfactory to Claimant to secure financing to pay off the remaining balance within forty-five (45) days, during which period Claimant will forego execution on the award and judgment. Respondent will advise Claimant within (10) days of the efforts being made.

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4. Respondent shall pay 11% simple interest per annum on the remaining balance.
5. Respondent represents that, in the event that he is unable to obtain said financing, he remains willing to pay off the balance at \$1,000 per month.
6. Moreover, should Respondent's financial position improve in the future, Respondent will provide documentation of same to Claimant and will make an upward adjustment in the monthly payment.
7. In fulfillment of the terms of this Stipulation, the parties will execute an agreement for judgment and mutual releases, subject to the fulfillment of the terms and conditions of this Stipulation.

FORUM FEES

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following forum fees are assessed.

No additional forum fees are assessed.

Respondent's previously filed postponement fee of \$500 shall be refunded.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators' Signatures

James A. Jennings
James A. Jennings, Esq.
Chairman

Public Arbitrator
Industry Arbitrator

Michael Quarto
Michael Quarto

Industry Arbitrator

Charles W. Lake
Charles W. Lake

Industry Arbitrator