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N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Peter Danes

vs.

Case #
92-03799

Name of Respondents

Mabon, Nugent & Co.
Jeffrey A. Pollock

REPRESENTATION

For Claimant, Peter Danes ("Claimant") Dan Brecher, Esq., from the law offices of Dan Brecher, located in New York, New York.

For Respondents, Mabon Nugent & Co. ("Mabon") and Jeffrey A. Pollock ("Pollock"), G. Robert Gage, Jr., Esq. from the law firm of Gage Finneran & Buschmann, located in New York, New York.

CASE INFORMATION

Statement of Claim was filed on November 6, 1992.

Claimant's Submission Agreement was signed on November 6, 1992.

Claimant's Motion to dismiss Counterclaims was filed on January 3, 1994.

Claimant's Memorandum in Opposition to Respondents' Motion to Transfer or Dismiss was filed on January 3, 1994.

Claimant's Reply in Further Support of Claimant's Opposition to Respondent's Motion to Dismiss or Transfer was filed on January 13, 1994.

Respondents' Motion to Transfer, Motion to Dismiss and Answer and Counterclaim was filed by Mabon and Pollock on December 16, 1992.

Mabon's Submission Agreement was signed on December 15, 1992.

Pollock's Submission Agreement was signed on December 15, 1992.

Respondents' Reply to Claimant's Motion in Opposition to Respondents' Motion to Dismiss or Transfer was filed on January 7, 1994.

Respondents' Reply in Further Support of Respondents' Motion to Dismiss or Transfer was filed on January 18, 1994.

HEARING INFORMATION

Hearing Dates/Sessions:	January 4, 1994	- 1 session
	January 20, 1994	- 2 sessions
	February 10, 1994	- 2 sessions
	February 11, 1994	- 1 session
	March 23, 1994	- 2 sessions
	March 24, 1994	- 2 sessions

Hearing Location: NASD offices, located in New York, New York.

CASE SUMMARY

Claimant commenced this arbitration to obtain an accounting and payment of wages, reimbursement of expenses, delivery of securities and other compensation due to him. Claimant also sought payment of attorney's fees and liquidated damages for employee wage, claims under New York Labor Laws.

Claimant alleges that he was formerly associated with Mabon as its Vice President-Corporate Finance and that Pollack was the Chief Operating Officer of Mabon. Claimant also alleges that in connection with his employment with Mabon, the parties entered into an Employment Agreement which provided that Claimant would receive a 50,000 yearly salary, a non-discretionary mandatory bonus of ten percent, plus discretionary bonus. Claimant alleges that Respondents breached that agreement by failing to pay salary for 20 1/2 months in the amount of \$85,416.66 plus the non-discretionary bonuses. Claimant contends that in order to assess the full amount to Claimant, an accounting is necessary. Claimant further contends that Pollock testified that ten percent of Artistic Greeting Incorporated warrants were allocated to him but that he has not received them and that Respondents failed to deliver them to Claimant.

Respondents in their Statement of Answer contend that six years prior to the filing of this claim, Claimant initiated an arbitration before the New York Stock Exchange (NYSE) for the same relief and withdrew it when similar claim asserted by another Claimant was denied. Respondents contend that this matter should be transferred to the NYSE because that forum is familiar with this claim. Respondents maintain that they would not have consented to the withdrawal of NYSE claim had they known that Claimant would bring his claim before the NASD.

Respondents argue that this claim should be dismissed because it is time-barred under Section 15 of the NASD *Code of Arbitration Procedure* and also because no agreement exists between

the parties concerning Artistic Greeting. Respondents also argue that the claims against Pollock should be dismissed as Claimant fails to state a claim against Pollock. Respondent further maintains that Claimant was paid all salary due him and that the request for an accounting should be dismissed as this request is based on Claimant's claim that he is entitled to additional compensation.

Respondents interposed a counterclaim for two counts of conversion. Respondents contend that after Claimant's employment was terminated, they discovered legal and business expenses incurred by Claimant while he was no longer an employee of Mabon. Respondents also contend that Pollock personally lent Claimant \$6,250 and Claimant has not repaid the loan.

In opposition to Respondents' Motions to Transfer and/or Dismiss, Claimant maintains that the claim filed before the NYSE was different from the claim before this panel. Claimant maintains that the NYSE claim was not withdrawn with prejudice.

RELIEF REQUESTED

Claimant requests: (1) an accounting of all sums, securities and other compensation earned by Claimant and reimbursements of expenses paid by Claimant pursuant to his employment with Mabon; (2) payment of all sums and delivery of all securities and other compensation due to Claimant pursuant to admissions made by Respondents and pursuant to Mabon's obligation under the Employment Agreement and the Respondents' obligations as fiduciaries with regard to Claimant's ten percent share of Artistic Greetings underwriter's warrants; and (3) such other and further relief, including money damages for the failure of the Respondents to deliver the securities owed to Claimant and dividends declared on such securities, and reasonable attorney's fees and liquidated damages for employee wage claims under Section 198(1-a) of the New York Labor Law, as this tribunal shall deem appropriate.

Respondents request that the Statement of Claim be transferred to the NYSE or alternatively, be dismissed in its entirety. Respondents request damages as follows: actual damages to Mabon of not less than \$425,000; actual damages to Pollock of not less than \$6,250; plus all costs, including attorney's fees incurred in defending each counterclaim and such other relief as the panel deems just and proper. Claimant requests that the Motion to Transfer and the Motion to Dismiss be denied.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed to receive conformed copies of the award while the original remain on file with the NASD.

After hearing arguments, the panel denied the Motion To Transfer.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. All claims asserted by Claimant against Respondents are denied in their entirety.
2. All counterclaims are denied in their entirety.

FORUM FEES

Pursuant to Section 43(c) the *Code of Arbitration Procedure*, the following Forum Fees are assessed and shall be borne equally by the parties.

Non-refundable Filing Fee: \$500.00

Non-refundable Counterclaim Filing Fee: \$500.00

Hearing Session Fees: \$600.00 x 10 session = \$6,000.00

Total: \$7,000.00

1. Claimant previously paid \$850.00 and owes a balance of \$2,650.00.
2. Respondents previously paid \$1,100.00 and owes a balance of \$2,400.00.

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

ARBITRATION PANEL

Andrew Cote, Esq.	-	Industry Chairperson
S. Newton Feldman	-	Industry Panelist
James R. Madan	-	Industry Panelist

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Concurring Arbitrator's Signature

Andrew Cote'
Andrew Cote', Esq.

Date of Decision: May 19, 1994

STATE OF CONNECTICUT S.S.:
COUNTY OF LITCHFIELD

On this 10th day of May, 1994, before me personally appeared Andrew Cote' known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

Andrew Cote'

Mary M. Wright

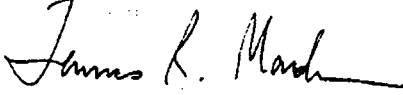
Mary M. Wright
Notary Public

My commission expires: 3/31/98

Award #92-03799

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Concurring Arbitrator's Signature



James R. Madan

Date of Decision: May 19, 1994

STATE OF NEW YORK S.S.:
COUNTY OF WESTCHESTER

On this 10 day of May, 1994, before me personally appeared James R. Madan known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.



EVELYN K. ISAAC
Notary Public, State of New York
Reg #4619450
Qualified in Westchester County
Term Expires March 30, 1995

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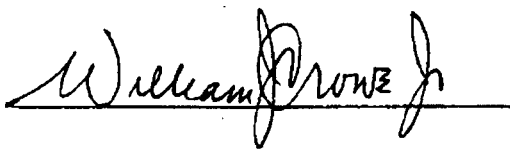
Concurring Arbitrator's Signature


S. Newton Feldman

Date of Decision: May 19, 1994

STATE OF NEW YORK s.s.:
COUNTY OF NEW YORK

On this 13 day of May, 1994, before me personally appeared S. Newton Feldman known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.



WILLIAM J. CROWE, JR.
Notary Public, State of New York
No. 30-0812910
Qualified in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1996