

N.A.S.D. FINAL ORDER

In the Matter of Arbitration Between

Name of Claimant

William E. Porter, III

93-02463

Name of Respondent

Alex Brown & Sons, Incorporated

REPRESENTATION

For Claimant William E. Porter, III ("Porter"): Jay H. Sandak, Esq. of Sandak Friedman Sommer, MacMillan & Lucas, located in Stamford, CT.

For Respondent Alex Brown & Sons, Incorporated ("Alex Brown"): Daniel E. McIntyre, Esq., Assistant General Counsel, Alex Brown, located in Baltimore, MD.

CASE INFORMATION

Statement of Claim filed by claimant on: June 23, 1993.
Claimant's Submission Agreement Signed on: May 28, 1993.

Statement of Answer filed by Respondent on: August 13, 1993.
Respondent's Submission Agreement signed on: August 11, 1993.

HEARING INFORMATION

Hearing Dates/Sessions: June 3, 1994 - Two Sessions
Hearing Location: NASD, New York, NY

CASE SUMMARY

Claimant initiated this action for the alleged breach of contract of his employer, Alex Brown for failure to fulfill its obligation under an investment representative compensation vehicle, more specifically, a recruiting incentive bonus program.

Claimant, alleges that pursuant to this program, any Alex Brown investment representative ("IR") who introduces a new retail ("IR") to the company would be entitled to receive a \$2,000 payment 90 days after hiring of the recruit as well as a payment based on the recruit's first year's gross production in relation to a predetermined scale. Porter contends that upon recruiting William J. Oppenheim, he received a payment of \$2,000 dollars. It is further alleged that during this recruit's first year, his gross production exceeded \$800,000, which, based on a predetermined scale, would entitle Porter to an additional \$18,000 which was never paid. Porter claims that this \$18,000.00 is owing as well as double damages and attorney's fees, pursuant to pertinent Connecticut law.

Respondent, Alex Brown, denies any and all allegations of liability. Alex Brown alleges Porter is not entitled to any additional compensation because he did not introduce Mr. Oppenheim to Alex Brown, a requirement of the incentive bonus program. Alex Brown alleges that Oppenheim had been introduced by A.B. Krongard, now C.E.O. of Alex Brown. The relationship between the two had existed for over ten years during which Mr. Krongard encouraged Mr. Oppenheim to come work for Alex Brown. Alex Brown contends that Porter neither introduced Oppenheim to Alex Brown nor was he instrumental in recruiting him. Respondent alleges that it neither owes Porter any additional compensation under this program nor any double damages or attorney's fees with respect to the claim.

RELIEF REQUESTED

Claimant requests an award of \$36,000, attorney's fees, and the assessment of costs and disbursements of this proceeding against the Respondent.

Respondent requests that the Claim be dismissed in its entirety and that Respondent be awarded attorney's fees and costs incurred in connection with this proceeding.

AWARD

It is the full and final resolution of the undersigned arbitrators based on the pleadings, testimony and evidence presented that:

1. Claimant shall be granted the sum of \$18,000.
2. Claimant shall be granted the sum of \$6,000 in attorney's fees.
3. Claimant shall not be granted double damages.
4. The parties shall share equally in the payment of forum fees to the NASD and otherwise shall bear their own costs in connection herewith.

FORUM FEES

Pursuant to Section 44 of the Code of Arbitration Procedure, the following Forum Fees are assessed:

Non-refundable Filing Fee:	\$500.00
Hearing Session Fees:(\$600 x 2 sessions)	<u>\$1,200.00</u>
Total Fees	\$1,700.00

1. Claimant is assessed a non-refundable filing fee of \$500.00.
2. Claimant and Respondent are assessed one half of \$1,200.00 or \$600.00 each.
3. Claimant has already deposited \$1,100.00 and thus has no balance.

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

- Concurring Arbitrators' Signatures
Name


Domenick L. Natale, Esq.
Chairperson - Industry Arbitrator


Leon Goldsholl
Industry Arbitrator

Daniel Berkson, Esq.
Industry Arbitrator

Date of Decision: July 29, 1994

- - Concurring Arbitrators' Signatures
Name

Domenick L. Natale, Esq.
Chairperson - Industry Arbitrator



Leon Goldsholl
Industry Arbitrator

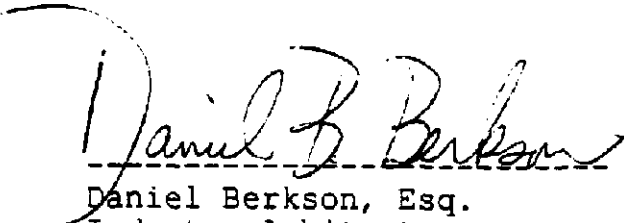
Daniel Berkson, Esq.
Industry Arbitrator

Date of Decision: July 29, 1994

- - Concurring Arbitrators' Signatures
Name

Domenick L. Natale, Esq.
Chairperson - Industry Arbitrator

Leon Goldsholl
Industry Arbitrator



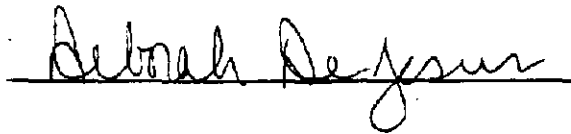
Daniel Berkson, Esq.
Industry Arbitrator

Date of Decision: July 29, 1994

STATE OF: NY

COUNTY OF: NY ss:

On this 29 day July, 1994, before me personally appeared Domenick Natale, Esq. known and 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.



DEBORAH A. DEJESUS
Notary Public, State of New York
No. 02DE5022979
Qualified in New York County
Commission Expires January 24, 1996

STATE OF:

COUNTY OF: ss:

On this day , 1994, before me personally appeared Leon Goldsholl known and 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.

STATE OF: NEW YORK

COUNTY OF: N.Y. ss:

On this 28 day July, 1994, before me personally appeared Daniel Berkson, Esq. known and 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.



CAROL AMES
Notary Public, State of New York
No. 41-4784432
Qualified in Queens County
Commission Expires March 30, 1995

STATE OF:

COUNTY OF: ss:

On this day , 1994, before me personally appeared **Domenick Natale, Esq.** known and 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.

STATE OF: *New York*

COUNTY OF: *Queens* ss:

On this *28* day *July*, 1994, before me personally appeared **Leon Goldsholl** known and 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.

Shirley Poon

SHIRLEY POON
NOTARY PUBLIC, State of New York
No. 41-4850857
Qualified in Queens County
Commission Expires January 21, 19 *96*

STATE OF:

COUNTY OF: ss:

On this day , 1994, before me personally appeared **Daniel Berkson, Esq.** known and 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.
