

NASD REGULATION, INC. AWARD

In the Matter of the Arbitration Between

Name of Claimant

Frank J. Lockwood

Case No.
95-00414

Names of Respondents

RAS Securities Corp.
Robert A. Schneider

REPRESENTATION

Claimant Frank J. Lockwood ("Claimant") appeared pro se.

For Respondents RAS Securities Corp. ("RAS") and Robert A. Schneider ("Schneider"), hereinafter collectively referred to as "Respondents," appeared Sheldon H. Gopstein, Esq., a private practitioner located in New York, New York.

CASE INFORMATION

Claimant's Statement of Claim was filed on January 25, 1995. Claimant's Submission Agreement was signed on January 25, 1995.

A Joint Statement of Answer filed by Respondents on March 29, 1995. Respondent RAS's Submission Agreement was signed on March 22, 1995. Respondent Schneider's Submission Agreement was signed on March 22, 1995.

HEARING INFORMATION

Pre-Hearing Conference:	June 20, 1996	-	One Session
	December 23, 1996	-	One Session
	May 6, 1997	-	One Session
	September 23, 1997	-	One Session
Hearing Dates/Sessions:	September 29, 1997	-	Two Sessions
	September 30, 1997	-	Two Sessions
	October 1, 1997	-	Two Sessions
	October 31, 1997	-	Two Sessions
	December 3, 1997	-	One Session
	December 4, 1997	-	One Session

The hearing was conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that he was employed by Respondent RAS, as a senior executive officer, from January 1994 until June 30, 1994, when he voluntarily resigned. Claimant also alleged that he resigned from his position due to the severe deterioration of Respondent RAS as an operating entity, its continuing non-payment of its overdue indebtedness to him, and its repeated undermining and obstruction of Claimant in the course of his employment. Claimant alleged that at the time of his resignation he was still owed compensation of \$20,995.86 by Respondent RAS.

Claimant further alleged that Respondents willfully, wrongfully and maliciously filed a Form U-5 regarding Claimant's termination. Claimant maintained that Respondent defamed him by falsely asserting that he was terminated, and that the termination was a result of Claimant's violating certain company policies. Claimant asserted that Respondents willfully, wrongfully and maliciously withheld salary and other compensation due him, without justification, reason, or explanation. Claimant also asserted that, as a result of the malicious, wrongful and intentional defamation of Claimant by Respondents, Claimant experienced material injury to his reputation in the securities industry, encountered difficulty in obtaining an appropriate position with respect to his gainful employment, suffered a loss of income and suffered an inordinate amount of anxiety. Claimant further asserted that he suffered financial damages as a result of Respondents' failure to pay salary and related compensation due Claimant. Finally, Claimant maintained that he suffered additional financial damages by way of a material loss of income by reason of his inability to obtain appropriate employment, as a direct result of Respondents' defamation of Claimant.

Respondents maintained that, soon after his employment, Claimant violated Respondent RAS's company procedures by signing agreements purportedly on behalf of Respondent RAS without authority. Respondents also maintained that Claimant engaged in private business pursuits during business hours and on the premises of Respondent RAS. Respondents further maintained that it was the cumulative effect of Claimant's unauthorized execution of agreements, as well as his pursuits of private business during his employment with Respondent RAS, that led to his ultimate discharge on June 30, 1994.

Respondents further maintained that Claimant received the full compensation to which he was entitled. Respondents contended that they were required to state the reason for Claimant's termination on the Form U-5 termination notice, and that this responsibility was fulfilled on June 30, 1994. Respondents also contended that he was an employee-at-will subject to discharge or resignation at the discretion of either party at any time, and that Claimant had no contract of employment with Respondent RAS.

RELIEF REQUESTED

Claimant requested liquidated sums due and unpaid in the amount of \$20,995.86, compensatory damages for defamation in the amount of \$100,000.00, and punitive damages in the amount of \$362,987.58.

Respondents requested that the Statement of Claim be dismissed, that all claims therein be denied in their entirety, and that the costs of this proceeding be assessed against the Claimant.

OTHER ISSUES CONSIDERED & DECIDED

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. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

A motion to compel was made by Claimant in December 1996. The motion was granted by the Chair, Carolyn E. Wade, Esq.

A motion to dismiss was made by Respondent Schneider. The motion was granted by the panel on October 31, 1997.

A motion to dismiss the defamation claim was made by Respondent RAS. The motion was granted via this award by the panel.

AWARD

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

1. Respondent RAS be and hereby is liable and shall pay to Claimant the sum of \$10,833.33 for unpaid wages, plus interest accruing at a rate of 9% beginning on June 30, 1994.
2. Claimant's claim of defamation is hereby dismissed.
3. Claimant's request to amend his Form U-5 to reflect a "Voluntary Termination" omitting explanation is hereby granted.
4. Claimant's request for book management fees is hereby denied.
5. Claimant's request for syndicate expenses is hereby denied.
6. Claimant's request for punitive damages is hereby denied.
7. All other compensatory damages are hereby denied.
8. Each party shall bear its respective costs, including attorneys' fees.
9. All other requests for relief are hereby denied.

FORUM FEES

Pursuant to Rule 10205(c) of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. shall retain the \$500.00 non-refundable filing fee previously submitted by the Claimant. NASD Regulation, Inc., will also retain the \$350.00 non-refundable member surcharge and the \$750.00 postponement fee previously submitted by Respondent RAS. In addition, the arbitrators have assessed the following forum fees:

4 Pre-Hearing Conferences x \$300.00	=	\$1,200.00
10 Hearing Sessions x \$750.00	=	\$7,500.00
Total Forum Fees	=	\$8,700.00

1. Claimant be and hereby is liable and shall pay the sum of \$4,350.00, representing one-half of the total forum fees assessed. Claimant previously deposited \$750.00 with NASD Regulation, Inc., therefore, Claimant shall pay the balance of \$3,600.00.
2. Respondent RAS be and hereby is liable and shall pay the sum of \$4,350.00, representing one-half of the total forum fees assessed.
3. Claimant be and hereby is liable and shall pay the sum of \$750.00, representing a postponement fee assessed on September 11, 1996.

Fees are payable to NASD Regulation, Inc.

ARBITRATORS' SIGNATURES

A handwritten signature in cursive script, appearing to read "Richard S. Peskin", written over a horizontal line.

Richard S. Peskin, Esq.
Industry Arbitrator

Date of Decision: March 20, 1998

I, Richard S. Peskin, Esq., 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.

A handwritten signature in cursive script, appearing to read "Richard S. Peskin", written over a horizontal line.

Richard S. Peskin, Esq.

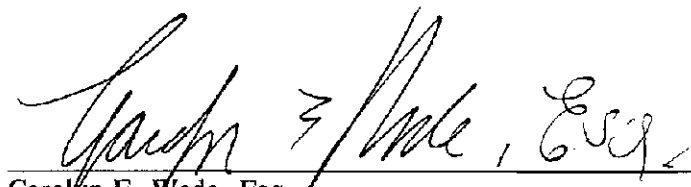
ARBITRATORS' SIGNATURES



Carolyn E. Wade, Esq.
Public Arbitrator - Chairperson

Date of Decision: March 20, 1998

I, Carolyn E. Wade, Esq., 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.



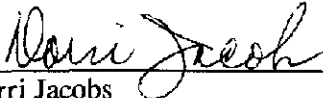
Carolyn E. Wade, Esq.

ARBITRATORS' SIGNATURES

Dorri Jacobs
Public Arbitrator

Date of Decision: March 20, 1998

I, Dorri Jacobs, 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.



Dorri Jacobs