

NASD REGULATION, INC.

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In the Matter of the Arbitration Between

Name of Claimant

UI USA, Inc.

95-03992

Name of Respondent

RAS Securities Corporation

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**REPRESENTATION**

For Claimant UI USA, Inc., ("claimant") appeared Stephen Rinehart, Esq. of Parker Chapin Flattau & Klimpl, LLP., New York, New York.

For Respondent RAS Securities Corporation ("respondent") appeared Sheldon Gopstein, Esq., New York, New York.

**CASE INFORMATION**

Statement of Claim filed: August 21, 1995

Claimant's Submission Agreement signed on: August 7, 1995

Statement of Answer filed by respondent: October 23, 1995

Respondent's Submission Agreement signed on: October 23, 1995

**HEARING INFORMATION**

Pre-Hearing Conferences: September 27, 1996/One session  
November 1, 1996/One session

Hearing Dates/Sessions: November 4, 1996/One session  
January 14, 1996/Two sessions  
January 15, 1996/Two sessions

Hearing Location: The hearing on November 4, 1996 was held at the Club Quarters, 52 William Street, New York, New York.

The hearings on January 14 and 15, 1997 were held at the offices of the NASD, New York, New York.

**CASE SUMMARY**

This was a dispute between claimant and respondent whereby claimant alleged that it had entered into an agreement whereby it was agreed that claimant would render advisory services to respondent in connection with an overseas placement of shares of common stock of Corporate Renaissance Group ("CRG"). Claimant alleged that it was to receive an advisory fee of \$356,000.00 from the underwriters represented by respondent at the time of closing of the Overseas Placement. Claimants alleged that, notwithstanding the completion of all its obligations under the advisory agreement, respondent had only paid \$250,000 to claimant and refused to submit the balance of \$106,000.

Respondent denied the allegations in the Statement of Claim except to assert that it did pay claimant the amount of \$250,000. Respondent also alleged that claimant was paid an additional \$100,000 plus an undisclosed amount for reimbursement of expenses directly by CRG. Respondent also maintained that it was entitled to a credit for all shares of stock sold in the overseas market subsequent to the initial public offering.

**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 originals remain on file with the NASD Regulation, Inc.

At the hearing on January 14, 1997, respondent made a motion to the panel requesting the panel to recuse itself because it was improperly composed as a public panel. Respondent asserted that counsel had learned the day before the hearing that claimant, although not a member at the time the Statement of Claim was filed, was a member firm of the NASD at the time the dispute arose. Respondent alleged that the panel should have been an industry panel. Claimant opposed the motion. Since the hearings in this matter had already begun, an administrative determination of this issue could not be made. The panel determined that the parties had received written notification of the composition of the panel in July 1996. The panel determined that respondent therefore had ample notice of the composition of the panel and had further stated on the record at the beginning of hearings on November 4, 1996, that it accepted the composition of the panel. The panel denied respondent's motion for recusal.

**AWARD**

The parties to this action settled the claims against respondent and the parties agreed to a stipulated settlement on January 29, 1997 which they requested the panel of arbitrators to incorporate in a stipulated award. Accordingly, the settlement agreement signed on January 29, 1997 is incorporated by reference herein and is hereby made part of this stipulated award in full and final resolution of the issues submitted for determination.

**FORUM FEES**

Pursuant to Section 10332 of the Code of Arbitration Procedure, the following Forum Fees are assessed:

Two pre-hearing conferences	x \$300.00	=	\$600.00
Five sessions	x \$750	=	\$3750.00
	TOTAL		\$4350.00
minus claimant's deposit		-	\$750.00
	TOTAL OUTSTANDING		\$3600.00

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The parties have agreed to the allocation of the forum fees as follows:

Claimant be and hereby is liable for the sum of \$2175.00 representing 50% of the forum fees assessed. Claimant has previously deposited \$750.00 with NASD Regulation, Inc. and therefore owes \$1425.00 to NASD Regulation, Inc.

Respondent be and hereby is liable for the sum of \$2175.00 representing 50% of the forum fees assessed. Respondent owes \$2175.00 to NASD Regulation, Inc.

Fees are payable to the NASD Regulation, Inc.

Concurring Arbitrators' Signatures  
Name

James Dolan, Esq.

Robert Spampata, Jr.

Ann C. Northern, Esq.

I, Robert Spampata, Jr., do hereby certify that this is my decision in the above-referenced matter.

Robert Spampata, Jr.

NASD Date of Decision: February 14, 1997

The parties have agreed to the allocation of the forum fees as follows:

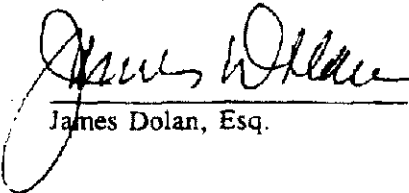
Claimant be and hereby is liable for the sum of \$2175.00 representing 50% of the forum fees assessed. Claimant has previously deposited \$750.00 with NASD Regulation, Inc. and therefore owes \$1425.00 to NASD Regulation, Inc.

Respondent be and hereby is liable for the sum of \$2175.00 representing 50% of the forum fees assessed. Respondent owes \$2175.00 to NASD Regulation, Inc.

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Concurring Arbitrators' Signatures

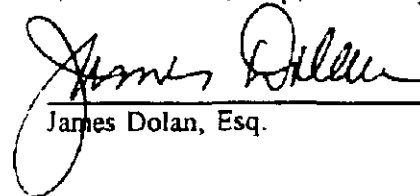
Name

  
James Dolan, Esq.

\_\_\_\_\_  
Robert Spampata, Jr.

\_\_\_\_\_  
Ann C. Northern, Esq.

I, James Dolan, Esq., do hereby certify that this is my decision in the above-referenced matter.

  
James Dolan, Esq.

NASD Date of Decision: February 14, 1997

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Name

James Dolan, Esq.

Robert Spampata, Jr.

Ann C. Northern  
Ann C. Northern, Esq.

I, Ann C. Northern, Esq., do hereby certify that this is my decision in the above-referenced matter.

Ann C. Northern  
Ann C. Northern, Esq.

NASD Date of Decision: February 14, 1997