

AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

In the Matter of the Arbitration Between

Names of Claimants

Christine A. Hatch and
Hatch Investment Services, Inc.

95-04479

Name of Respondent

Chase Manhattan Investment Services

REPRESENTATION

For Claimants, Christine A. Hatch ("Hatch") and Hatch Investment Services, Inc. ("HIS"): Scott C. Ilgenfritz, Esq. of Johnson, Blakely, Pope, Bokor, Ruppel & Burns, P.A., Tampa, Florida.

For Respondent, Chase Manhattan Investment Services ("Chase"): Jacob Zamansky, Esq. and Cory S. Marell, Esq., of Singer Zamansky LLP, New York, New York.

CASE INFORMATION

Statement of Claim filed: September 18, 1995.

Claimant Hatch's Submission Agreement signed on: September 13, 1996

Claimant HIS's Submission Agreement/Corporate Acknowledgment signed on: September 13, 1996 by Christine A. Hatch on behalf of HIS.

Amended Statement of Claim received by NASD Regulation, Inc. on: April 3, 1996.

Statement of Answer (Amended Answer to the Statement of Claim) filed by Respondent on: May 28, 1996.

Claimants' Reply to Respondent's Answer filed on: June 17, 1996.

Respondent's Submission Agreement/Corporate Acknowledgment signed on: January 15, 1997 by Harry Upton on behalf of the Firm.

HEARING INFORMATION

A telephone conference lasting one (1) session was conducted with the Chairman of the panel on November 7, 1996.

On September 17, 18 and 19, 1996; November 25, 26, and 27, 1996; and, December 12 and 13, 1996, hearings lasting fifteen (15) sessions were conducted in Fort Lauderdale, Florida.

CASE SUMMARY

Claimants alleged that Hatch was fraudulently induced to leave Prudential Securities Incorporated to become employed as a stockbroker with Chase; that Chase made negligent misrepresentations to Hatch upon which she relied in her decision to leave Prudential Securities Incorporated to join Chase as a stockbroker; that Chase tortiously interfered with the advantageous business relationships of Claimants and their securities clients and customers; and, that during her employment with Chase, Hatch had been discriminated against on the basis of her sex in violation of the Title VII of the Civil Rights Act of 1964, as amended. Claimants further alleged that Hatch has suffered and will continue to suffer injury and damages caused by Chase's illegal conduct.

Respondent, Chase, denied the claim of fraudulent inducement and negligent misrepresentation in connection with the hiring of Claimant, Hatch, and maintained that no false statements were made to Hatch to induce her to join Chase; that the only statements made to Hatch were prospective or expectations of future events which are not actionable fraud; and, that in any event Hatch did not justifiably rely on any representations allegedly made. Respondent further stated that Chase did not negligently make any misrepresentations or omissions to Hatch in connection with her employment; denied the charge of sexual discrimination and/or harassment; and, maintained that all brokers both male and female, were treated alike, and that there was no discrimination and/or harassment of Hatch based on gender or sex.

RELIEF REQUESTED

Claimants requested entry of an award in their favor and against Respondent for its violation of Title VII of the Civil Rights Act of 1964, including compensatory damages of approximately \$500,000.00, back pay and interest on those amounts, punitive damages for the willful and malicious misconduct of Respondent, the costs of this proceeding, reasonable attorneys' fees as provided in 42 U.S.C. Section 2000(e)-5(k), and such other and further relief as the arbitration panel deems just and proper.

Respondent requested dismissal of this arbitration, with prejudice, plus costs, expenses and attorneys' fees and such other relief as the panel deems just and proper.

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.

AWARD

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

1. Respondent, Chase, is found liable for fraud and shall pay to the Claimants the amount of \$689,685.00, inclusive of past compensation losses, future compensation losses, and, pre-judgment interest on past compensation losses.
2. Respondent, Chase, is further found liable for sexual discrimination and shall pay to the Claimants the additional amount of \$12,666.06.
3. Respondent, Chase, is found further liable with respect to Claimants' claim of pain and suffering, and shall pay to the Claimants the additional amount of \$50,000.00, pursuant to 42 U.S.C. Section 2000(e)-5(k), *et seq.*
4. Claimants' request for attorneys' fees, is hereby granted, pursuant to 42 U.S.C. Section 2000(e)-5(k), the amount of which shall be determined by a court of competent jurisdiction.
5. Claimants' request for punitive damages is hereby denied.
6. Respondent, Chase, shall reimburse the Claimants for the hearing session deposit previously paid by the Claimants, in the amount of \$750.00.
7. All other claims are hereby denied.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 10332 (formerly Section 43) of the Code of Arbitration Procedure, the arbitrators have assessed forum fees in the amount of \$11,550.00 (fifteen hearing sessions X \$750.00 + one telephone conference X \$300.00).

1. Respondent, Chase, is hereby assessed Forum Fees in the amount of \$11,550.00. for which the NASD shall retain the \$750.00 previously deposited by the Claimants in partial satisfaction thereof, leaving a balance due to NASD Regulation, Inc. of \$10,800.00.
2. NASD Regulation, Inc. shall retain the \$750.00 hearing session deposit previously deposited by the Claimants.
3. NASD Regulation, Inc. shall retain the \$500.00 non-refundable filing fee paid by the Claimants.

4. Respondent, Chase, shall pay to NASD Regulation, Inc. the \$350.00 member surcharge pursuant to Section 10333 (formerly Section 45) of the Code of Arbitration Procedure.

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

ARBITRATION PANEL

Concurring Arbitrators' Signatures

/s/

Arthur J. Leibell, Esq., P.A.

Public/Chairperson

/s/

Elena G. Rodriguez

Public/Panelist

/s/

Charles T. Steffens

Industry/Panelist

Date of Decision: January 21, 1997