

**NASD REGULATION, INC.  
AWARD**

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In the Matter of the Arbitration Between

**Name of Claimants**

Interior Product Design, Inc., Leonard Eisen  
and Joan Eisen, as Trustees FBO Interior  
Product Design, Inc. , Employees'  
Retirement Plan and Trust, and Leonard Eisen  
and Joan Eisen, as Trustees FBO Interior  
Product Design, Inc., Pension Plan and Trust

96-01215

**Name of Respondents**

The Harriman Group, Inc.  
Brian Scanlon  
Stephen Palumbo

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**REPRESENTATION**

For Claimants Interior Product Design, Inc., ("IPD"), Leonard Eisen ("L. Eisen") and Joan Eisen ("J. Eisen"), (collectively "Claimants") appeared Samuel L. Barkin, Esq., of the law offices of Gordon, Altman, Butowsky, Weitzen, Shalov & Wein located in New York, New York.

For Respondent The Harriman Group, Inc., ("Harriman") appeared Edward K. Blodnick of the law offices of Blodnick, Blodnick and Zelin, P.C., located in Roslyn Heights, New York.

For Respondent Brian Scanlon ("Scanlon") appeared Bruce Kahne, Esq. of the law offices of Gersten, Savage, Kaplowitz, Fredericks, & Curtin, LLP, located in New York, New York.

For Respondent Stephen Palumbo ("Palumbo") appeared Robert J. Bergson, Esq. of the law offices of Herrick, Feinstein, LLP, located in New York, New York.

**CASE INFORMATION**

Claimants' Statement of Claim was filed on March 16, 1996.  
An Amended Statement of Claim was filed on July 17, 1997.  
Claimants' Submission Agreement was signed on March 15, 1996.

A Joint Statement of Answer was filed by Harriman, Scanlon and Palumbo (collectively

"Respondents") on May 31, 1996.

Harriman's Submission Agreement was signed on July 8, 1996.

Scanlon's Submission Agreement was signed on April 2, 1996.

Palumbo's Submission Agreement was signed on April 2, 1996.

### **HEARING INFORMATION**

Hearing Date/Session:

September 17, 1998

One Session

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

### **CASE SUMMARY**

Claimants alleged that, in June 1997, they entered into a settlement of this arbitration (the "Settlement") with Harriman and Palumbo. Claimants maintained that, pursuant to the terms of the Settlement, Harriman and Palumbo agreed to pay Claimants the total sum of \$111,000.00 in installments in full settlement of all of Claimants' claims against them. Claimants contended that, on June 30, 1997, Respondents' counsel informed Claimants' counsel that Harriman had decided to cease its operations and that, as a result, Respondents were reneging upon the Settlement and would not honor its terms. In addition, Claimants contended that, because Respondents failed to execute the written agreement as promised, Respondents contended that the Settlement was unenforceable. Claimants alleged that the Settlement was fully enforceable under New York law according to its terms, regardless of Harriman's and Palumbo's refusal to execute the written agreement.

Respondents did not file a Statement of Answer to the Verified Amended Statement of Claim.

### **RELIEF REQUESTED**

Claimants requested an award against Harriman and Palumbo enforcing the Settlement, deeming it to be effective as of June 16, 1997, ordering Harriman and Palumbo to immediately pay all sums due and owing under the Settlement as of the date of the panel's award, with pre-award interest, and awarding them their costs of enforcing the Settlement, including hearing fees and reasonable attorneys' fees.

Respondents Scanlon and Palumbo requested that the claim against them be dismissed and, in the alternative, that the Statement of Claim be denied in its entirety. Harriman requested that the Statement of Claim be denied in its entirety. Respondents also requested costs and attorneys' fees.

### **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 NASD Regulation, Inc.

By letter dated June 11, 1997, Claimants advised NASD Regulation, Inc., that they settled their claim against Brian Scanlon.

### **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. Claimants' motion to enforce the settlement agreement of \$111,000.00 is granted. Therefore, Respondents Harriman and Palumbo be and hereby are jointly and severally liable for and shall pay to Claimants the sum of **ONE HUNDRED ELEVEN THOUSAND DOLLARS (\$111,000.00)**.
2. Claimants' request for attorneys' fees is hereby denied.
3. Claimants' request for interest is hereby denied.
4. All other requests are hereby denied.

### **OTHER COSTS**

Pursuant to Rule 10333 of the Code of Arbitration Procedure ("Code") The Harriman Group, Inc. has paid to NASD Regulation, Inc. the \$500.00 member surcharge previously invoiced.

### **FORUM FEES**

Pursuant to Rule 10332(c) of the Code, the arbitrators have determined that NASD Regulation, Inc. will retain the \$300.00 non-refundable filing fee submitted by Claimants and the \$500.00 member surcharge paid by Harriman and have assessed the following forum fees:

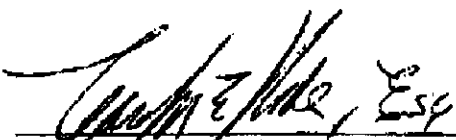
1 hearing session x \$750.00	=	\$750.00
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Claimants be and hereby are liable for and shall pay to NASD Regulation, Inc. the sum of \$750.00, representing the total amount of forum fees assessed.

**ARBITRATION PANEL**

Carolyn E. Wade, Esq.	-	Public Chairperson
Roy W. Romberger	-	Public Arbitrator
Herbert Z. Geiger, Esq.	-	Industry Arbitrator


**CONCURRING ARBITRATOR'S SIGNATURE**



Carolyn E. Wade, Esq.  
Chairperson-Public Arbitrator

Date of decision: November 6, 1998

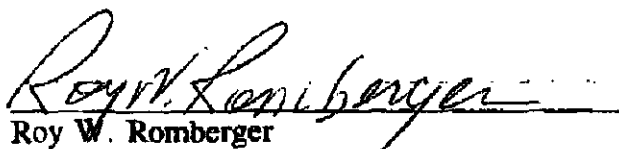
I, Carolyn E. Wade, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

  
Carolyn E. Wade, Esq.

**ARBITRATION PANEL**

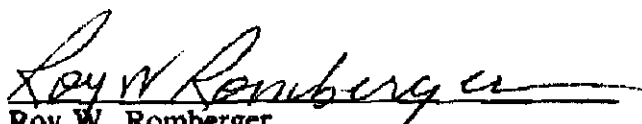
Carolyn E. Wade, Esq.	-	Public Chairperson
Roy W. Romberger	-	Public Arbitrator
Herbert Z. Geiger, Esq.	-	Industry Arbitrator

**CONCURRING ARBITRATOR'S SIGNATURE**

  
Roy W. Romberger  
Public Arbitrator

Date of decision: November 6, 1998

I, Roy W. Romberger, 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.

  
Roy W. Romberger