

NASD REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Name of Claimant

Basil E. Karampelas

96-01238

Name of Respondent

Wasserstein Perella & Co., Inc.

REPRESENTATION

For claimant Basil E. Karampelas ("claimant") appeared Daniel E. Katz, Esq. of the law firm of Pressman & Associates located in New York, New York.

For respondent Wasserstein Perella & Co., Inc. ("respondent") appeared Jill L. Rosenberg, Esq. of the law firm of Orrick, Herrington & Sutcliffe LLP located in New York, New York.

CASE INFORMATION

Statement of Claim was filed on March 19, 1996. Claimant's Submission Agreement was signed on March 18, 1996.

Statement of Answer was filed May 21, 1996. Respondent's Submission Agreement was signed on May 31, 1996.

HEARING INFORMATION

Pre-hearing Conference: September 12, 1996

Hearing Sessions/Dates:	December 4, 1996	-	Two Sessions
	December 5, 1996	-	Two Sessions
	December 6, 1996	-	One Session

The hearings were held at the Club Quarters Hotel located at 52 William Street, New York, New York.

CASE SUMMARY

Claimant alleged that, in the spring of 1994, he was recruited to work as an Associate for respondent's Natural Resources Group (the "Group") and that respondent guaranteed, in writing, to provide him with a salary of at least \$75,000.00 per year and a substantial bonus based upon the level of his performance and the performance of the firm as a whole. Claimant also alleged that for the calendar year of 1994 respondent agreed to pay him a bonus of \$150,000.00 and guaranteed his employment for the term of one year.

Claimant asserted that he worked for respondent from May 9, 1994 to August 9, 1995 and that, during this period, he performed exemplary services for respondent. Claimant further asserted that, due to his exceptional work, his superiors expressed to him that he would be promoted to Vice President by December 1995. According to claimant, in early 1995 respondent unilaterally changed his duties in contravention of his original agreement with respondent. Claimant contended that respondent assigned three of the Group's analysts to other areas of the firm and, consequently, he was forced to perform substantial, menial tasks of an analyst.

Claimant alleged that, despite his success within the firm and his performance of duties which were clearly beyond the scope of his employment agreement, senior management of respondent intimated to him that he would not likely be promoted as had been promised. Claimant maintained that, due to respondent's failure to fulfill its promise, he felt he had no choice but to commence employment with another company and, on August 9, 1995, he terminated his employment with respondent. Claimant further maintained that respondent was obligated to pay him a bonus for the work he performed during the calendar year 1995, but that upon termination respondent refused to pay him the compensation.

Respondent denied that claimant was entitled to any compensation or payment beyond the pro rata share of his annual salary for 1995, which claimant had already received. Respondent maintained that claimant's right to any bonus was governed by the terms of the firm's bonus policy, which specifically provided that whether the firm gave a bonus was at the discretion of the firm and that an employee forfeited all rights to receive a bonus if the employee was not an employee of the firm on the date the bonus was paid. Respondent further maintained that claimant was an employee at will and, except for the first year of his employment when he was subject to a specific compensation agreement, claimant was not employed pursuant to any express or implied contract.

RELIEF REQUESTED

Claimant requested an award against respondent as follows:

- (i.) On the first cause of action for breach of contract in the sum of \$150,000.00 plus interest, or in the alternative, on the second cause of action for *quantum meruit*, the sum of \$150,000.00 plus interest;
- (ii.) On the third cause of action for statutory liquidated damages in the sum of \$37,500.00;

- (iii.) On the fourth cause of action for ordinary costs sustained by claimant in connection with this matter to be established at the hearing and the sum of \$50.00 as and for statutory costs;
- (iv.) On the fifth cause of action for attorneys fees to be established at the hearing;
- (v.) Interest, costs, disbursements and filing fees.

Respondent requested an award dismissing claimant's claims and directing claimant to pay respondent the reasonable costs and disbursements incurred in defending this proceeding.

OTHER ISSUES CONSIDERED AND 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, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1. All claims against respondent be and hereby are dismissed in their entirety.
- 2. Each party shall bear their own costs, including attorneys' fees.

FORUM FEES

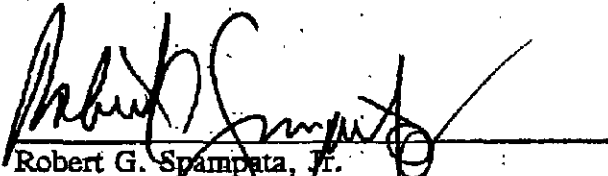
Pursuant to Section 44(c) of the Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$500.00 non-refundable filing fee previously paid by claimant and have assessed the following forum fees:

1 pre-hearing conference	= \$ 300.00
5 hearing sessions x \$750.00	= <u>\$3,750.00</u>
Total forum fees	= \$4,050.00

Claimant be and hereby is liable for the sum of \$4,050.00, representing the total amount of forum fees assessed in this matter. Claimant previously paid a hearing session deposit of \$750.00 which shall be applied to the total amount assessed. Therefore, claimant shall pay \$3,300.00 to the NASD.

Fees are payable to NASD Regulation, Inc.

Arbitrators' Signatures

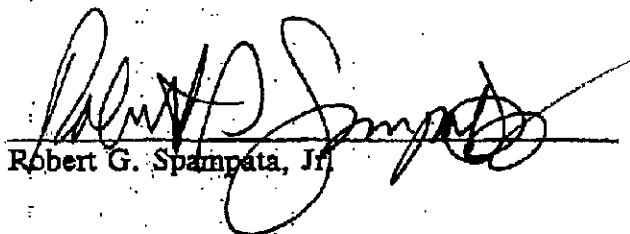

Robert G. Spampata, Jr.
Chairperson-Industry Arbitrator

E. Stephen Walsh, Esq.
Industry Arbitrator

Theodore P. Plevretes
Industry Arbitrator

Date of Decision: January 22, 1997

I, Robert G. Spampata, Jr., 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.


Robert G. Spampata, Jr.

Arbitrators' Signatures

Robert G. Spampata, Jr.
Chairperson-Industry Arbitrator

E. Stephen Walsh
E. Stephen Walsh, Esq.
Industry Arbitrator

Theodore P. Plevretes
Industry Arbitrator

Date of Decision: January 22, 1997

I, E. Stephen Walsh, 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.

E. Stephen Walsh
E. Stephen Walsh, Esq.

Arbitrators' Signatures

Robert G. Spampata, Jr.
Chairperson-Industry Arbitrator.

E. Stephen Walsh, Esq.
Industry Arbitrator

Theodore P. Plevretes
Theodore P. Plevretes
Industry Arbitrator

Date of Decision: January 22, 1997

I, Theodore P. Plevretes, 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.

Theodore P. Plevretes
Theodore P. Plevretes