

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Cruttenden Roth, Inc.

v.

Arbitration No.

96-03412

(Consolidated with 96-03410 and 96-03411)

Name of Respondents

John Laurienti, Bryan Laurienti and Joe Murdoch

REPRESENTATION

For Claimants:

John R. Loftus, Esq.
Paul I. Hamada, Esq.
Keesal, Young & Logan
Long Beach, California

For Respondents:

Simon S. Kogan, Esq.
New York, New York

CASE INFORMATION

Statement of Claim filed:

August 6, 1996

Claimant's Submission Agreement signed:

July 29, 1996

Statement of Answer and Counterclaim filed
by Respondents:

October 16, 1996

Statement of Answer filed by Claimant:

October 29, 1996

Amended Answer and Counterclaim filed
by Respondents:

November 12, 1996

HEARING INFORMATION

Pre-Hearing Conference Dates/Sessions: October 29, 1997 (1 session)
December 19, 1997 (1 session)

Hearing Dates/Sessions: February 4, 1998 (2 sessions)
February 5, 1998 (2 sessions)
February 6, 1998 (2 sessions)
February 7, 1998 (1 session)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant sought recovery of the outstanding balance on certain loans made to Respondents during their time of employment with Claimant. Upon Respondents' voluntary termination with Claimant, these outstanding balances became due and payable. Additionally, Claimant sought recovery from Respondent Joe Murdoch of a settlement payment for alleged unauthorized trades in high-risk securities committed by Respondent Murdoch.

Respondents denied each and every allegation in Claimant's Statement of Claim and brought Counterclaims against Claimant alleging fraudulent inducement, abuse of process and improper withholding of commissions.

Claimant denied Respondents' Counterclaims in their entirety.

RELIEF REQUESTED

Claimant sought \$13,179.94 in compensatory damages against Respondent Joe Murdoch, \$6,201.27 in compensatory damages against Respondent Bryan Laurienti, \$32,748.44 in compensatory damages against Respondent John Laurienti, interest, costs, reasonable attorney's fees and dismissal of Respondents' Counterclaims in their entirety.

Respondents Joe Murdoch and Bryan Laurienti sought dismissal of the Statement of Claim, \$250,000.00 in compensatory damages and costs of the proceeding.

Respondent John Laurienti sought dismissal of the Statement of Claim, \$500,000.00 in compensatory damages and costs of the proceeding.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in either 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 Regulation, Inc., Office of Dispute Resolution.

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 John Laurienti is liable to and shall pay Claimant the sum of \$4,900.00.
2. Claimant's claims against Respondents Joe Murdoch and Bryan Laurienti are denied in their entirety.
3. Respondents' Counterclaims against Claimant Cruttenden Roth, Inc. are denied in their entirety.
4. Each party shall bear their own costs including attorney's fees.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed against Claimant and Respondent John Laurienti

One (1) Single Arbitrator Pre-Hearing Conference @ \$300.00/Session	= \$300.00
One (1) Full Panel Pre-Hearing Conference @ \$750.00/Session	= \$750.00
<u>Seven (7) Hearing Sessions @ \$750.00/Session</u>	<u>= \$5250.00</u>
Total Forum Fees Assessed	= \$6300.00

Claimant's 65% Share of Forum Fees	= \$4095.00
<u>Claimant's Credit for Hearing Session Deposit</u>	<u>= (\$975.00)</u>
Claimant's Balance Due	= \$ 3120.00

<u>Respondent John Laurienti's 35% Share of Forum Fees</u>	<u>= \$ 2205.00</u>
Respondent John Laurienti's Balance Due	= \$ 2205.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Arbitrators</u>
Elliott Finkel, Esq.	Public Arbitrator
Gwendolyn J. Bandt	Industry Arbitrator
Louis P. Davis	Public Arbitrator

Concurring Arbitrators' Signatures

Elliott Finkel, Esq.

Gwendolyn J. Bandt

Louis P. Davis

Date of Service: _____

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<u>Name</u>	<u>Arbitrators</u>
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Gwendolyn J. Bandt	Industry Arbitrator
Louis P. Davis	Public Arbitrator

Concurring Arbitrators' Signatures



Elliott Finkel, Esq.

Gwendolyn J. Bandt

Louis P. Davis

Date of Service: 3/31/98

ARBITRATORS

<u>Name.....</u>	<u>Arbitrators</u>
Elliott Finkel, Esq.	Public Arbitrator
Gwendolyn J. Bandt	Industry Arbitrator
Louis P. Davis	Public Arbitrator

Concurring Arbitrators' Signatures

Elliott Finkel, Esq.



Gwendolyn J. Bandt

Louis P. Davis

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Elliott Finkel, Esq.

Gwendolyn J. Bandt



Louis P. Davis

Date of Service: 3/31/98