

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Names of Claimants

Prime Charter, LTD
Grand Charter Group, Inc.

97-00076

Name of Respondent

Robert P. Forfia

REPRESENTATION

For claimants Prime Charter, LTD ("Prime") and Grand Charter Group, Inc. ("Grand"), (collectively "claimants") appeared David N. Mahler, Esq., in-house counsel for Prime located in New York, New York.

For respondent Robert P. Forfia ("respondent") appeared Casey Baum, Esq., a private practitioner with offices located in New York, New York.

CASE INFORMATION

Claimant's Statement of Claim was filed on: January 6, 1997.
Prime's Submission Agreement was signed on: January 6, 1997.
Grand's Submission Agreement was signed on: January 6, 1997.

A Statement of Answer was filed by respondent on: March 18, 1997.
Respondent's Submission Agreement was signed on: March 12, 1997.

HEARING INFORMATION

Pre-Hearing Conferences:	February 2, 1998	-	One Session
	February 19, 1998	-	One Session
Hearing Dates/Sessions:	March 12, 1998	-	Two Sessions
	March 13, 1998	-	Two Sessions

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimants alleged that respondent was employed by Prime for the period commencing June 13, 1994 and ending January 22, 1996. Claimants contended that during his employment respondent incurred debts in the amount of \$204,934.19 as a result of advances made by Prime to respondent, unearned commissions paid by Prime to respondent, and loans made by Grand to respondent. Claimants asserted that, although Prime requested that respondent pay such amount, respondent failed and refused to do so. Claimants maintained that, as a result of the foregoing actions, respondent breached his agreement to repay advances made to him by Prime, breached his employment agreement, and breached his promissory notes.

Respondent maintained that he told claimants that he would pay the principal and accrued interest due under the promissory notes, and requested a reasonable payment schedule, because his finances did not allow him to pay claimants' loan in one lump sum. Respondent asserted that instead of negotiating a reasonable schedule, claimants commenced this arbitration, hoping to recover more than the principal and interest. Respondent objected to claimants' demand for repayment because claimants never provided him with the support which they had promised him, therefore, he was unable to earn sufficient commissions to cover the \$77,391.17 draw against commissions and the \$15,000.00 in advances which Prime paid to him. Respondent also contended that he was unable to earn sufficient commissions because he invested approximately four months of his time soliciting investors for a private placement offering, and was not able to solicit retail or institutional investors during that time period.

RELIEF REQUESTED

Claimants requested:

1. compensatory damages in the amount of \$204,934.19;
2. monetary damages, including actual and punitive damages;
3. attorneys' fees, costs and expenses incurred in this action and for pre-judgement and post-judgement interest;
4. *such other and further relief as the panel may deem proper in this case; and*
5. that the panel make a disciplinary referral of this matter to the appropriate NASD office.

Respondent requested that all claims against him be denied in their entirety.

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.

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 be and hereby is liable for and shall pay to Claimants damages in the amount of **ONE HUNDRED EIGHTY FIVE THOUSAND THREE HUNDRED AND TWELVE DOLLARS (\$185,312.00)**.
2. Claimants' request for punitive damages is hereby denied.
3. Claimants' requests for interest, attorneys' fees, costs and expenses are hereby denied.
4. All other requests are hereby denied.

FORUM FEES

Pursuant to Rule 10205(c) of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. will retain the \$500.00 non-refundable filing fee previously submitted by claimants, the \$350.00 member surcharge previously submitted by Prime and the \$350.00 member surcharge previously submitted by Grand. In addition, the arbitrators have assessed the following forum fees:

2 Pre-hearing conferences (with full panel)	=	\$1,500.00
4 Hearing sessions x \$750.00	=	\$3,000.00

1. Claimants be and hereby are jointly and severally liable for the sum of \$2,250.00, representing one-half of the total amount of forum fees assessed. Claimants previously deposited \$750.00 with NASD Regulation, Inc. and, therefore, claimants shall jointly and severally pay the balance of \$1500.00 to NASD Regulation, Inc.
2. Respondent be and hereby is liable for and shall pay to NASD Regulation, Inc. the sum of \$2,250.00, representing one-half of the total amount of forum fees assessed.

ARBITRATORS' SIGNATURES

Noah D. Sorkin, Esq.
Chairperson - Industry Arbitrator

Date of Decision: _____

I, Noah D. Sorkin, 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.

Noah D. Sorkin, Esq.

ARBITRATORS' SIGNATURES

Joseph J. Cassidy
Industry Arbitrator

Date of Decision: _____

I, Joseph J. Cassidy, 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.

Joseph J. Cassidy

ARBITRATORS' SIGNATURES



Noah D. Sorkin, Esq.
Chairperson - Industry Arbitrator

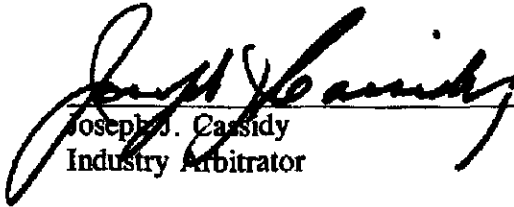
Date of Decision: April 8, 1998

I, Noah D. Sorkin, 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.




Noah D. Sorkin, Esq.

ARBITRATORS' SIGNATURES


Joseph J. Cassidy
Industry Arbitrator

Date of Decision: April 8, 1998

I, Joseph J. Cassidy, 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.


Joseph J. Cassidy


ARBITRATORS' SIGNATURES

A handwritten signature in cursive script, appearing to read "Stuart Rothenstein", written over a horizontal line.

Stuart Rothenstein
Industry Arbitrator

Date of Decision: April 8, 1998

I, **Stuart Rothenstein**, 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.

A handwritten signature in cursive script, appearing to read "Stuart Rothenstein", written over a horizontal line.

Stuart Rothenstein