

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Ferris, Baker Watts, Inc.

v.

Case No. 99-00029

Mayer Kanter

Hearing Location: Washington, D.C.

REPRESENTATION OF PARTIES

Claimant Ferris, Baker Watts, Inc. ("Claimant") was represented by William A. Healy, Esq. of the law firm of Silbiger and Coleman, Westminster, Maryland.

Respondent Mayer Kanter ("Respondent") represented himself on the pleadings but did not attend the hearing.

CASE INFORMATION

Statement of Claim filed on: December 23, 1998

Claimant's Uniform Submission Agreement executed by Theodore W. Urban, Executive Vice President of Ferris, Baker Watts on December 24, 1998.

Statement of Answer filed by Respondent on: February 26, 1999

Respondent signed his Uniform Submission Agreement on February 26, 1999.

CASE SUMMARY

Claimant alleged that Respondent received a maintenance call in the amount of \$680,000 and that Respondent failed to satisfy this maintenance call. Claimant made a formal demand to Respondent to comply with his contractual obligations and make payment on the outstanding debit balance. Claimant alleged that to date Respondent has refused Claimant's numerous requests for payment.

Unless specifically admitted in its Answer, Respondent denied all allegations of wrongdoing alleged by Claimant in its Statement of Claim and specifically maintained the following defense: Claimant failed to liquidate Respondent's position in Youth Services International, Inc. in a timely fashion thereby causing the losses sustained by Respondent. Claimant failed to properly maintain, supervise and monitor Respondent's account and that this resulted in Respondent's loss.

Arbitration No. 99-00029
Award Page 2

RELIEF REQUESTED

At the hearing, Claimant requested compensatory damages in the amount of \$457,900.58, interest at the prevailing margin rates until paid, plus costs and attorney's fees in the amount of \$21,489.33.

Respondent requested that Claimant's claim be dismissed and that it be held liable to Respondent for negligent supervision in an amount equal to any damages claimed by Claimant.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made by Claimant, the undersigned arbitrators ("Panel") determined that: Respondent was served with the Statement of Claim, answered the claim, filed a Uniform Submission Agreement and received due notice of the hearing. Notwithstanding Respondent's failure to appear, pursuant to Rules 10301 and 10318 of the NASD Code of Arbitration Procedure, Respondent is bound by the Panel's rulings and determinations in this matter.

CASE INFORMATION

Claimant's request for a default judgment was denied, this matter was decided on the merits.

Decided on: December 23, 1998

As the party present, Claimant agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondent Mayer Kanter is liable to Claimant and shall pay to Claimant the sum of \$457,900.58; plus interest at the rate of 9% simple interest per annum from the date on the Award until the date the Award is paid.
2. That Respondent Mayer Kanter is liable to Claimant and shall pay to Claimant Attorney's Fees in the amount of \$21,489.33.
3. That other costs and fees are resolved as indicated below.
4. That any claim for relief not specifically addressed herein is denied in its entirety.

Arbitration No. 99-00029

Award Page 3

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 500

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is the Claimant.

Member surcharge = \$1,500

Pre-hearing process fee = \$ 600

Hearing process fee = \$2,500

Adjournment Fees

Adjournment requested during these proceedings: W.J. Hindman, who later reached a settlement with Claimant.

November 30, December 1 and 2, 1999, adjournment by W.J. Hindman = \$600

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session with Panel (1 x \$750.00) = \$ 750.00

Pre-hearing conference: Date: 8/18/99 1 session

1 Pre-hearing session with one arbitrator (1 x \$300) = \$ 300.00

Pre-hearing conference: Date 11/10/99 1 session

Hearing sessions 3 x \$ 750.00 = \$ 2,250.00

Hearing Dates: Date 3/7/00 1 session

Date 3/27/00 2 sessions

Total Forum Fees = \$ 3,300.00

The Panel has assessed the forum fees of \$3,300.00 to Respondent Mayer Kanter.

Arbitration No. 99-00029

Award Page 4

Fee Summary

Claimant is assessed the following arbitration costs and assessments:

Filing Fee	= \$ 500.00
Member Fees	= \$1,500.00
Pre Hearing Processing Fees	= \$ 600.00
Hearing Processing Fees	= \$2,500.00
<u>Less payments</u>	<u>= \$5,850.00</u>
Refund to Claimant	= \$ 750.00

Respondent Kanter is assessed the following fee(s):

Forum Fees	= \$ 3,300.00
Total Fees	= \$ 3,300.00
<u>Less payments</u>	<u>= \$ 0.00</u>
Balance Due NASD Regulation, Inc.	= \$ 3,300.00

All balances are due and payable to NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Bruce Sanders
Bruce Sanders, Chairperson
Public Arbitrator

May 8, 2000
Signature Date

Nickey D. Turner, Panelist
Public Arbitrator

Signature Date

Mary Ann Owen, Panelist
Non-Public Arbitrator

Signature Date

May 15, 2000
Date Award Served by NASD Regulation, Inc.

Arbitration No. 99-00029

Award Page 5


Concurring Arbitrators' Signatures


Bruce Sanders, Chairperson
Public Arbitrator

Signature Date

Nickey D. Turner, Panelist
Public Arbitrator

Signature Date


Mary Ann Owen, Panelist
Non-Public Arbitrator


5/8/00 
Signature Date Mary Ann Owen, Panelist
for Public Arbitrator

May 5, 2000
Date Award Served by NASD Regulation, Inc.

Concurring Arbitrators' Signatures

Bruce Sanders, Chairperson
Public Arbitrator

Signature Date




Nickey D. Turner, Panelist
Public Arbitrator



Signature Date



Mary Ann Owen, Panelist
Non-Public Arbitrator



Signature Date Mary Ann Owen, Panelist
Non-Public Arbitrator



Date Award Served by NASD Regulation, Inc.