

**Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between

Lynn Tilton (Claimant) vs. Marc Lasry and Amroc Investments, Inc. (Respondents)

Case Number: 99-00833

Hearing Site: New York, New York

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**REPRESENTATION OF PARTIES**

Claimant, Lynn Tilton, hereinafter referred to as "Claimant": Daniel J. Brooks, Esq., Layton, Brooks & Hecht, New York, New York.

Respondents, Amroc Investment Inc. ("Amroc") and Marc Lasry, ("Lasry") hereinafter collectively referred to as Respondents: Brad S. Karp, Esq., Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York.

**CASE INFORMATION**

Statement of Claim filed on or about: February 24, 1999

Claimant, Lynn Tilton, signed the Uniform Submission Agreement: February 23, 1999.

Answer to Counterclaim filed by Claimant on or about: May 17, 1999

Statement of Answer and Counter claim filed by Respondents, Amroc and Lasry, on or about: May 4, 1999.

Respondent, Amroc, signed the Uniform Submission Agreement: April 26, 1999.

Respondent, Lasry, signed the Uniform Submission Agreement: April 26, 1999.

**CASE SUMMARY**

Claimant asserted the following causes of action: 1) Respondent, Amroc, underpaid Claimant for one and one-quarter years of service in violation of an oral agreement between Claimant and Amroc's president, Respondent, Lasry. 2) Claimant also alleges that Respondent, Lasry, refused to provide her with documentation relating to two personal investments that she made with Respondent, Lasry, which prevented her from transferring her interest in those investments, and from earning a substantial profit.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: 1) Claimant's claims are without merit. 2) Respondent, Amroc, not only fully met its obligations to Claimant in 1997, but paid her more than she was due. Respondent, Amroc, interposed a Counterclaim for reimbursement of the retention bonus and a portion of advance that Claimant was paid in 1988.

Unless specifically admitted in her Answer, Claimant denied the allegations made in the Counterclaim and asserted that she does not owe Respondents any refund of any compensation that she has received.

### **RELIEF REQUESTED**

Claimant, Tilton, requested:

Compensatory Damages	\$600,000.00 against Amroc
Compensatory Damages	\$300,000.00 against Lasry
Interest	\$
Attorneys' Fees	\$
Other Costs	\$
Other Monetary/Non-Monetary Relief if any:	

Respondents, Amroc and Lasry, requested dismissal of claim and:

Compensatory Damages	\$556,914.00
Interest	\$
Attorneys' Fees	\$
Other Costs	\$
Other Monetary/Non-Monetary Relief if any:	

### **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.

### **AWARD**

After considering the pleading, 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. Respondents, Amroc and Lasry, are jointly and severally liable and shall Claimant pay \$329,905.00 in compensatory damages.
2. Respondents, Amroc and Lasry, are also liable and shall pay Claimant nine percent (9%) interest from May 1, 1998 until the date of this award.
3. Respondents' claim for damages is denied.
4. Respondents' claim for attorneys' fees is denied.
5. Any and all relief not specifically addressed herein, including punitive damages, is denied.

### **FEES**

Pursuant to the NASD Code of Arbitration Procedure, the following fees are assessed:

#### **Filing Fees**

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each

claim:

Initial claim filing fee	= \$500.00
Counter claim	= \$500.00

### **Member Fees**

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

Member surcharge	= \$2,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$3,500.00

### **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:

One (1) Pre-hearing session with a single arbitrator	x \$300.00	= \$300.00
Pre-hearing conference:	May 23, 2000	1 session

One (1) Pre-hearing session with the Panel	x \$1000.00	= \$1,000.00
Pre-hearing conference:	March 3, 2000	1 session

Eight (8) Hearing sessions	x \$1000.00	= \$8,000.00
Hearing Dates:	June 28, 2000	2 sessions
	June 29, 2000	2 sessions
	July 26, 2000	2 sessions
	July 27, 2000	2 sessions

Total Forum Fees	= \$9,300.00
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1. The Panel has assessed \$4,650.00 of the forum fees to Claimant, Lynn Tilton.
2. The Panel has assessed \$4,650.00 of the forum fees jointly and severally to Respondents, Amroc and Lasry.

### **Administrative Costs**

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Respondent, Amroc, requested a copy of 16 audio tapes, \$240.00

Fee Summary

Claimant, Lynn Tilton, be and hereby is solely liable for:

Initial Filing Fee	= \$ 500.00
Forum Fees	= \$4,650.00
Total Fees	= \$5,150.00
Less payment	= \$1,500.00
Balance Due NASD Dispute Resolution, Inc.	= \$3,650.00

Respondents, Amroc Investments, Inc. and Marc Lasry, be and hereby are jointly and severally liable for:

Cross claim Filing Fee	= \$ 500.00
Forum Fees	= \$4,650.00
Administrative Costs	= \$ 240.00
Total Fees	= \$5,390.00
Less payment	= \$ 379.00
Balance Due NASD Dispute Resolution, Inc.	= \$5,011.00

Respondent, Amroc Investments Inc., be and hereby is solely liable for:

Member Fees	= \$6,100.00
Total Fees	= \$6,100.00
Less Payment	= \$2,600.00
Balance Due NASD Resolution, Inc.	= \$3,500.00

All balances are due and payable to NASD Dispute Resolution, Inc.

Concurring Arbitrators' Signatures


Elizabeth Snow Stong, Esq.  
Industry Arbitrator, Presiding Chair

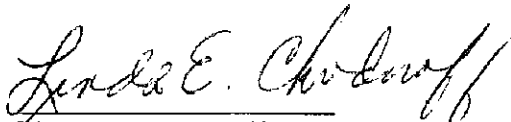
8/24/00

Signature Date

I, Elizabeth Snow Stong, 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.



Elizabeth Snow Stong, Esq.

  
\_\_\_\_\_  
Linda E. Chudnoff  
Industry Arbitrator

  
\_\_\_\_\_  
Signature Date

I, Linda E. Chudnoff, 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.

  
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Linda E. Chudnoff

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\_\_\_\_\_  
John A. Falkenberg  
Industry Arbitrator

\_\_\_\_\_  
Signature Date

I, John A. Falkenberg, 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.

\_\_\_\_\_  
John A. Falkenberg

August 24, 2000  
Date of Service (For NASD-DR office use only)


Linda E. Chudnoff  
Industry Arbitrator

Signature Date

I, Linda E. Chudnoff, 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.

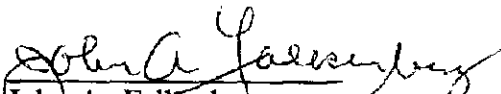
Linda E. Chudnoff

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John A. Falkenberg  
Industry Arbitrator

08/18/00  
Signature Date

I, John A. Falkenberg, 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.

  
John A. Falkenberg

August 24, 2000  
Date of Service (For NASD-DR office use only)