

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Anthony Varbero, (Claimant) vs. Coleman & Company Securities, Inc., James Port, Simon Hershon, and Ehud Laska, (Respondents)

Case Number: 99-01528

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Anthony Varbero, hereinafter referred to as "Claimant": Michael Huberman, Michael Huberman & Associates, La Quinta, CA. Previously represented by: Joseph Lee Matalon, Esq., Law Offices of Joseph Lee Matalon, New York, NY, Harry B. Feder, Esq., Arkin Schaffer & Kaplan LLP, New York, NY, and Marc J. Ross, Esq., Sichenzia, Ross & Friedman LLP, New York, NY, respectively.

Respondents, Coleman & Company Securities, Inc. ("Coleman"), James Port ("Port"), Simon Hershon ("Hershon"), and Ehud Laska ("Laska"), hereinafter collectively referred to as "Respondents": Andrew J. Goodman, Esq., Kurzman Eisenberg Corbin Lever & Goodman, LLP, New York, NY. Previously represented by: Ira Lee Sorkin, Esq. and Christina A. Sessa, Esq., Squadron, Ellenoff, Plesent & Sheinfeld, LLP, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: March 23, 1999.

Answer to Counterclaim filed by Claimant on or about: August 16, 1999.

Claimant signed the Uniform Submission Agreement: March 27, 1999.

Statement of Answer and Counterclaim filed by Respondents on or about: June 22, 1999.

Coleman signed the Uniform Submission Agreement: June 16, 1999.

Port signed the Uniform Submission Agreement: June 16, 1999.

Hershon signed the Uniform Submission Agreement: June 21, 1999.

Laska signed the Uniform Submission Agreement: June 16, 1999.

CASE SUMMARY

Claimant asserted the following causes of action: breach of agreement; misrepresentation; and bad faith conduct and business practices.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a claim upon which relief may be granted; no claim may be maintained against Port, Hershon, and Laska because these individuals were acting on behalf of Coleman and may not be sued in their individual capacities; the action is barred by the doctrines of unclean hands and estoppel; and the Statement of Claim fails to state facts upon which a claim of relief for punitive damages can or should be maintained.

In their Counterclaim, Respondents asserted the following causes of action: fraudulent inducement and breach of contract.

Unless specifically admitted in his Answer to Counterclaims, Claimant denied the allegations made in the Counterclaim.

RELIEF REQUESTED

Claimant requested compensatory damages in the approximate amount of \$500,000.00, plus interest, punitive damages, costs, and reasonable attorneys' fees.

In their Answer and Counterclaim, Respondents requested compensatory damages in the approximate amount of \$500,000.00, costs and disbursements, including reasonable attorneys' fees and other lawful expenses, and such other and further relief as the Panel deems just and proper.

In his Answer to the Counterclaim, Claimant requested that the Panel enter an Award in his favor and against Respondents, dismiss Respondents' Counterclaim in its entirety, and award such other and further relief as to the Panel seems just and necessary.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearings in this matter, Claimant withdrew his claims against Respondent Port.

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 pleadings, the testimony and evidence presented at the hearing, the Respondent's post-hearing submission and Claimant's post-hearing oral argument, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are hereby dismissed in their entirety.
2. Respondents' Counterclaims are hereby dismissed in their entirety.
3. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, 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	= \$ 300.00
Counterclaim filing fee	= \$ 1,000.00

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 persons at the time of the events giving rise to the dispute. In this matter, Coleman & Company Securities, Inc. is a party.

Member surcharge	= \$ 1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 2,500.00

Adjournment Fees

Adjournments requested during these proceedings:

June 7 & 8, 2000, adjournment by Respondents	= waived
December 19 & 20, 2000, adjournment by Claimant	= waived

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 arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$1,125.00 = \$ 2,250.00

Pre-hearing conferences: December 8, 1999 1 session
 September 14, 2000 1 session

Ten (10) Hearing sessions x \$1,125.00 = \$11,250.00

Hearing Dates: November 28, 2000 2 sessions
 November 29, 2000 2 sessions
 April 24, 2001 2 sessions
 April 25, 2001 2 sessions
 June 12, 2001 2 sessions

One (1) Post-hearing session with Panel x \$1,125.00 = \$ 1,125.00

Post-hearing session date: July 16, 2001 1 session

Total Forum Fees = \$14,625.00

1. The Panel has assessed \$7,312.50 of the forum fees against Claimant.
2. The Panel has assessed \$7,312.50 of the forum fees jointly and severally against Respondents.

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. Claimant, requested photocopies, \$238.75.
2. Claimant, requested tapes, \$90.00.
3. Respondents, requested tapes, \$45.00.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$7,312.50
<u>Administrative Costs</u>	= \$ 328.75
Total Fees	= \$7,941.25
<u>Less payments</u>	= \$1,754.00
Balance Due NASD Dispute Resolution, Inc.	= \$6,187.50

2. Coleman be and hereby is solely liable for:

<u>Member Fees</u>	= \$4,600.00
Total Fees	= \$4,600.00
<u>Less payments</u>	= \$4,600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

3. Respondents be and hereby are jointly and severally liable for:

Counterclaim Filing Fee	= \$1,000.00
Forum Fees	= \$7,312.50
<u>Administrative Costs</u>	= \$ 45.00
Total Fees	= \$8,357.50
<u>Less payments</u>	= \$2,170.00
Balance Due NASD Dispute Resolution, Inc.	= \$6,187.50

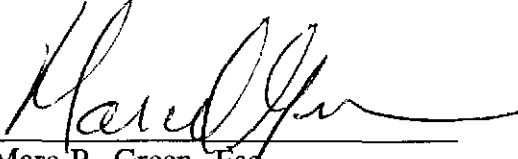
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

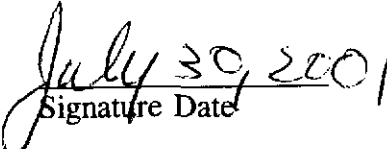
Marc R. Green, Esq.	-	Industry Arbitrator, Presiding Chair
Walter A. Kapuscinski	-	Industry Arbitrator
Gerald A. Guild	-	Industry Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, 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.



Marc R. Green, Esq.
Industry Arbitrator, Presiding Chair



Signature Date

Walter A. Kapuscinski
Industry Arbitrator

Signature Date

Gerald A. Guild
Industry Arbitrator

Signature Date

August 9, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

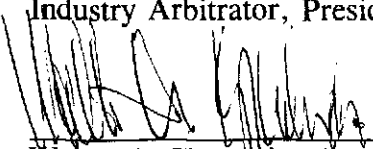
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Marc R. Green, Esq.
Industry Arbitrator, Presiding Chair

Signature Date



Walter A. Kapuscinski
Industry Arbitrator

July 26, 2001

Signature Date

Gerald A. Guild
Industry Arbitrator

Signature Date

August 9, 2001

Date of Service (For NASD office use only)

ARBITRATION PANEL

Marc R. Green, Esq.	-	Industry Arbitrator, Presiding Chair
Walter A. Kapuscinski	-	Industry Arbitrator
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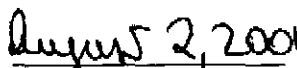
Signature Date

Walter A. Kapuscinski
Industry Arbitrator

Signature Date



Gerald A. Guild
Industry Arbitrator



Signature Date

August 9, 2001
Date of Service (For NASD office use only)