

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Willard Saperston, (Claimant) vs. LaSalle Street Securities, Inc. and John McDermott,
(Respondents)

Case Number: 99-02700

Hearing Site: Buffalo, New York

REPRESENTATION OF PARTIES

Claimant, Willard Saperston, hereinafter referred to as "Claimant": Patrick G. Finegan, Jr., Esq., a sole practitioner, Washington, DC.

Respondents, LaSalle Street Securities, Inc. ("LaSalle") and John McDermott ("McDermott"), hereinafter collectively referred to as "Respondents": David A. Genelly, Esq., Vanasco, Wayne & Genelly, Chicago, IL.

CASE INFORMATION

Statement of Claim filed on or about: June 9, 1999.

Amended Statement of Claim filed on or about: November 11, 1999.

Response to Counterclaim and Motion to Strike Counterclaim filed by Claimant on or about: September 15, 1999.

Response to McDermott's Motion to Dismiss filed by Claimant on or about: January 10, 2000.

Claimant signed the Uniform Submission Agreement: June 7, 1999.

Statement of Answer and Counterclaim filed by LaSalle on or about: August 30, 1999.

Response to Claimant's Motion to Strike Counterclaim filed by LaSalle on or about: November 2, 1999.

LaSalle signed the Uniform Submission Agreement: August 4, 1999.

Statement of Answer and Motion to Dismiss filed by McDermott on or about: December 27, 1999.

McDermott signed the Uniform Submission Agreement: May 22, 2000.

CASE SUMMARY

Claimant asserted the following causes of action: breach of deal agreement; withholding of commissions; predatory raiding; and failure to pay from commission escrow in violation of an arbitration Award.

Unless specifically admitted in its Answer, LaSalle denied the allegations made in the Statement of Claim and asserted the following defenses: LaSalle took no assets of Claimant and paid Claimant what it was contractually obligated to pay; at all times, LaSalle lived up to what it agreed to; all of the brokers identified in Claimant's Statement of Claim were, as a result of the transfer to LaSalle, already LaSalle registered representatives; no broker was "taken" by LaSalle; a claim was made against Claimant by a customer which necessitated LaSalle holding the commission pending resolution of the outstanding customer claim; because LaSalle has potential liability for Claimant's customer, it has a right to hold the monies pending resolution of the customer's claim; and Claimant does not have a right to any damages against LaSalle.

In its Counterclaim, LaSalle asserted the following causes of action: breach of fiduciary duty; breach of contract; breach of the implied duty of good faith and fair dealing; fraud; misrepresentation; and malicious prosecution.

Unless specifically admitted in his Response, Claimant denied the allegations made in the Counterclaim and asserted the following defenses: LaSalle waived any objection to Claimant's departure; LaSalle has never mitigated its alleged damages; LaSalle's Answer and Counterclaim have no authorities, letters, contracts, faxes, memos, or other useful items of evidence attached; LaSalle has failed to explain its causes of action; LaSalle has failed to plead fraud and breach of fiduciary duty with the requisite particularity; LaSalle has alleged breach of contract, but presents no contract to show the Panel any breach; and LaSalle's Counterclaim is an irrational mechanism of attempted intimidation.

Unless specifically admitted in his Answer, McDermott denied the allegations made in the Amended Statement of Claim and asserted the following defenses: Claimant does not allege, nor can he, that McDermott personally owes him money or that McDermott holds anything belonging to Claimant; nothing alleged against LaSalle creates any individual liability against McDermott; Claimant has filed his claim against McDermott for no other reason than to inconvenience and extort McDermott; and there is simply no basis for Claimant's claim against McDermott personally.

RELIEF REQUESTED

Claimant requested compensatory damages totaling \$3,260,450.00, plus costs, reasonable attorneys' fees, and punitive damages in the amount of \$9,000,000.00.

In its Answer and Counterclaim, LaSalle requested compensatory damages in the amount of \$1,260,000.00, punitive damages in the amount of \$18,000,000.00, its costs and fees incurred in this action, and a denial of Claimant's claims.

In his Response, Claimant requested that the Counterclaim be dismissed.

McDermott requested that Claimant's claims against him personally be dismissed, and that he recover his costs and expenses.

OTHER ISSUES CONSIDERED AND DECIDED

The parties settled the majority of their disputes prior to the hearing in this matter. The Panel granted the parties' request to hold a telephonic hearing to resolve the remaining issues concerning commissions.

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, and the post-hearing submissions, 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. LaSalle's Counterclaim is hereby dismissed in its 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	= \$ 600.00
Counterclaim filing fee	= \$5,000.00

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 person at the time of the events giving rise to the dispute. In this matter, LaSalle Street Securities, Inc. is a party.

Member surcharge	= \$3,600.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$5,000.00

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 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 \$1,200.00	= \$2,400.00
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Pre-hearing conferences:	November 10, 2000	1 session
	May 21, 2001	1 session

One (1) Hearing session x \$1,200.00	= \$1,200.00
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Hearing Date:	August 28, 2001	1 session
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Total Forum Fees	= \$3,600.00
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1. The Panel has assessed \$1,800.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,800.00 of the forum fees against LaSalle.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 600.00
<u>Forum Fees</u>	= \$ 1,800.00
Total Fees	= \$ 2,400.00
<u>Less payments</u>	= \$ 6,200.00
Refund Due Claimant	= \$ 3,800.00

2. LaSalle be and hereby is solely liable for:

Counterclaim Filing Fee	= \$ 5,000.00
Member Fees	= \$ 9,200.00
<u>Forum Fees</u>	= \$ 1,800.00
Total Fees	= \$16,000.00
<u>Less payments</u>	= \$15,400.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 600.00

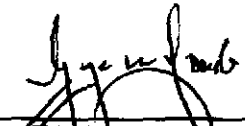
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

George W. Laub	-	Public Arbitrator, Presiding Chair
Allan E. Johnson	-	Public Arbitrator
Donald A. Olszewski	-	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.



George W. Laub
Public Arbitrator, Presiding Chair

1 Nov 01

Signature Date

Allan E. Johnson
Public Arbitrator

Signature Date

Donald A. Olszewski
Industry Arbitrator

Signature Date

November 15, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

George W. Laub	-	Public Arbitrator, Presiding Chair
Allan E. Johnson	-	Public Arbitrator
Donald A. Olszewski	-	Industry Arbitrator

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George W. Laub
Public Arbitrator, Presiding Chair



Allan E. Johnson
Public Arbitrator

Signature Date

11/1/01

Signature Date

Donald A. Olszewski
Industry Arbitrator

Signature Date

November 15, 2001
Date of Service (For NASD office use only)

ARBITRATION PANEL

George W. Laub	-	Public Arbitrator, Presiding Chair
Allan E. Johnson	-	Public Arbitrator
Donald A. Olszewski	-	Industry Arbitrator

Concurring Arbitrators' Signatures

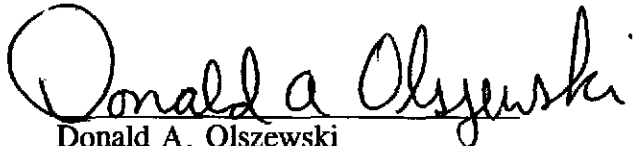
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George W. Laub
Public Arbitrator, Presiding Chair

Signature Date

Allan E. Johnson
Public Arbitrator

Signature Date


Donald A. Olszewski
Industry Arbitrator

11/5/2001
Signature Date

November 15, 2001
Date of Service (For NASD office use only)