

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Jean Liptak, (Claimant) vs. Joseph C. Kane, Jr., Laidlaw Holdings Asset Management, Inc.,
Laidlaw Equities, Inc., and Laidlaw Global Securities, Inc., (Respondents)

Case Number: 99-03260

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Jean Liptak, hereinafter referred to as "Claimant": Peter E. Fleming, III, Esq.,
Curtis, Mallet-Prevost, Colt & Mosle, Stamford, CT.

Respondent, Joseph C. Kane, Jr. ("Kane"), did not appear at the hearings in this matter.
Previously represented by: Martin J. Auerbach, Esq., a sole practitioner, New York, NY.

Respondents, Laidlaw Holdings Asset Management, Inc. ("Laidlaw Holdings"), Laidlaw
Equities, Inc. ("Laidlaw Equities"), and Laidlaw Global Securities, Inc. ("Laidlaw Global"),
hereinafter collectively referred to as "Laidlaw": Marc S. Gottlieb, Esq., Law Offices of
Marc S. Gottlieb, New York, NY (Mr. Gottlieb was with the law firm of Beckman, Millman
& Sanders, LLP, New York, NY, when he originally appeared in this matter).

CASE INFORMATION

Statement of Claim filed on or about: July 13, 1999.
Amended Statement of Claim filed on or about: September 2, 1999.
Claimant signed the Uniform Submission Agreement.

Statement of Answer filed by Kane on or about: November 29, 1999.
Kane did not sign a Uniform Submission Agreement.

Joint Statement of Answer filed by Laidlaw Holdings, Laidlaw Equities, and Laidlaw Global
on or about: November 24, 1999.

Laidlaw Holdings did not sign a Uniform Submission Agreement.
Laidlaw Equities did not sign a Uniform Submission Agreement.
Laidlaw Global did not sign a Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized negotiation of checks; misrepresentation; fraud; conversion; breach of fiduciary duty; failure to supervise; violations of Federal securities laws; breach of the covenant of good faith and fair dealing; and breach of contract. Claimant's claim involved the securities of International Copier Sales and Diana Corporation, as well as a real estate investment.

Unless specifically admitted in his Answer, Kane denied the allegations made in the Statement of Claim and asserted the following defenses: at all times, Kane dealt with Claimant fairly, honestly, and in good faith; having neither caused the alleged failure of the investments made by Claimant, nor guaranteed their success, Kane is not liable to Claimant for their alleged failure to perform as expected; the real estate investment in dispute is not subject to arbitration before the NASD; Kane was not working at Laidlaw at the time that Claimant made her investment in International Copier Sales; Claimant fails to allege any basis for the claim that investing in Diana Corporation was unsuitable for her; any alleged damages sustained by Claimant must be off-set by the gains and/or income she received on the investments in dispute; Claimant failed to mitigate her damages; Claimant's claims are barred by the doctrines of estoppel and laches; and Claimant has failed to state a claim upon which relief can be granted.

Unless specifically admitted in their Answer, Laidlaw Holdings, Laidlaw Equities, and Laidlaw Global denied the allegations made in the Statement of Claim and asserted the following defenses: any and all investments made by Kane while employed at Laidlaw on behalf of Claimant were suitable and appropriate; none of the acts complained of by Claimant against Laidlaw could be construed to have been malicious, willful, wanton, and/or oppressive; Claimant never complained to anyone at Laidlaw putting anyone on notice that Claimant was dissatisfied with the investments up to and through Kane's employment with Laidlaw; at all times, Laidlaw utilized a sufficient degree of reasonable care under the circumstances surrounding the transactions in question at that time; the Statement of Claim fails to state a valid cause of action upon which the relief requested may be granted; all risks inherent in investing in the securities markets and in the specific investments purchased by Kane on behalf of Claimant were fully and sufficiently explained to Claimant prior to said investments; Respondents discharged their responsibilities in a professional and ethical manner, and all of Respondents' actions were within the parameters of accepted brokerage procedure and all exchange and governmental regulations; Respondents acted in good faith and exercised at least the degree of care, diligence, and skill which ordinarily prudent men and women would exercise in similar circumstances and like positions; any losses allegedly suffered by Claimant were caused by either Claimant's own decisions or market conditions outside the control of Respondents and were not caused by actions of Respondents; Claimant failed to take all reasonable steps to mitigate the alleged damages or losses suffered; any

damages sustained by Claimant must be off-set by gains and/or income received from the disputed investments, as well as from any monies realized or which could be realized by the sale of the investments in question; Claimant's failure to exercise a reasonable degree of reasonable or ordinary care, caution, and/or prudence precludes any recovery herein; and Claimant is incapable of proving all of the necessary elements of its causes of action.

RELIEF REQUESTED

Claimant requested unspecified compensatory damages; punitive damages; interest; forum and expert witness costs; reasonable attorneys' fees; and such other and further relief as the Panel deems just and proper.

Kane requested a determination: (i) denying and dismissing Claimant's claims against him; and (ii) awarding him costs and disbursements, including reasonable attorneys' fees, incurred by him as a result of this proceeding.

Laidlaw requested that Claimant's Statement of Claim be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

Upon review of the file and the representations made on behalf of the Claimant, the undersigned arbitrators (the "Panel") determined that Kane has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without Kane present, in accordance with the NASD Code of Arbitration Procedure (the "Code").

Kane, Laidlaw Equities, and Laidlaw Global did not file with NASD Dispute Resolution properly executed submissions to arbitration but are required to submit to arbitration pursuant to the Code and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

Laidlaw Holdings was not a member of NASD or an associated person during the period of time in dispute. Although Laidlaw Holdings did not file with NASD Dispute Resolution a properly executed submission to arbitration, Laidlaw Holdings submitted an Answer to the Statement of Claim, participated in this arbitration proceeding, and appeared at the hearings in this matter. Therefore, Laidlaw Holdings voluntarily submitted to the jurisdiction of the NASD and agreed to be bound by the determination of the Panel on all issues submitted.

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 Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Kane be and hereby is solely liable for and shall pay to Claimant compensatory damages, as to claims other than the claim with respect to Diana Corporation transaction, in the sum of \$966,500.00, accruing at the New York statutory rate of 9% per annum, from the dates on following schedule until payment of the award:

<u>Amount</u>	<u>Date Interest begins to accrue</u>
\$ 59,000.00	10/8/96
\$ 5,000.00	10/13/96
\$ 15,000.00	10/25/96
\$ 15,000.00	11/1/96
\$ 59,000.00	11/15/96
\$ 65,000.00	2/2/97
\$ 61,000.00	3/8/97
\$ 62,500.00	4/19/97
\$ 50,000.00	3/7/97
\$150,000.00	9/18/97
\$275,000.00	7/10/97
\$150,000.00	7/16/97

2. Respondent Kane be and hereby is solely liable for and shall pay to Claimant the sum of \$250.00 to reimburse Claimant for the filing fee previously paid to NASD Dispute Resolution.
3. Claimant's request for punitive damages is denied.
4. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$ 250.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person at the time of the events giving rise to the dispute. In this matter, Laidlaw Equities, Inc. and Laidlaw Global Securities, Inc. are parties.

Laidlaw Equities, Inc.

Member surcharge	= \$1,200.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,000.00

Laidlaw Global Securities, Inc.

Member surcharge	= \$1,200.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,000.00

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:

One (1) Pre-hearing session with a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: September 7, 2001	1 session

One (1) Pre-hearing session with Panel x \$1,000.00	= \$1,000.00
Pre-hearing conference: February 1, 2001	1 session

Seven (7) Hearing sessions x \$1,000.00		= \$7,000.00
Hearing Dates:	April 24, 2002	2 sessions
	April 25, 2002	2 sessions
	June 18, 2002	1 session
	July 17, 2002	2 sessions
Total Forum Fees		= \$8,450.00

1. The Panel has assessed the entire amount of the forum fees against Respondent Kane.

Fee Summary

1. Claimant be and hereby is solely liable for:

<u>Initial Filing Fee</u>	= \$ 250.00
<u>Total Fees</u>	= \$ 250.00
<u>Less payments</u>	= \$2,250.00
<u>Refund Due Claimants</u>	= \$2,000.00

As stated in the "Award" section above, Respondent Kane is liable and shall reimburse Claimant for the \$250.00 filing fee.

2. Laidlaw Equities be and hereby is solely liable for:

<u>Member Fees</u>	= \$3,800.00
<u>Total Fees</u>	= \$3,800.00
<u>Less payments</u>	= \$ 967.00
<u>Balance Due NASD Dispute Resolution</u>	= \$2,833.00

3. Laidlaw Global be and hereby is solely liable for:

<u>Member Fees</u>	= \$3,800.00
<u>Total Fees</u>	= \$3,800.00
<u>Less payments</u>	= \$3,800.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 0.00

4. Respondent Kane be and hereby is solely liable for:

<u>Forum Fees</u>	= \$8,450.00
<u>Total Fees</u>	= \$ 0.00
<u>Less Payments</u>	= \$8,450.00
<u>Balance Due NASD Dispute Resolution</u>	= \$8,450.00


All balances are payable to NASD Dispute Resolution, and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Leo Silverstein, Esq.	-	Public Arbitrator, Presiding Chair
Lowell D. Johnston, Esq.	-	Public Arbitrator
Daniel B. Berkson, Esq.	-	Non-Public 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.



Leo Silverstein, Esq.
Public Arbitrator, Presiding Chair



Signature Date

Daniel B. Berkson, Esq.
Non-Public Arbitrator

Signature Date

Concurring in Part and Dissenting in Part Arbitrator's Signature

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.

I dissent to the Award in this matter, in that I would have held Respondents Laidlaw jointly and severally liable with Respondent Kane as to \$625,000 of the Award with respect to claims for losses resulting from loans to Alf Aanonsen and investments in International Copier Sales, Inc.

Lowell D. Johnston, Esq.
Public Arbitrator

Signature Date

September 5, 2002

Date of Service (For NASD Dispute Resolution use only)

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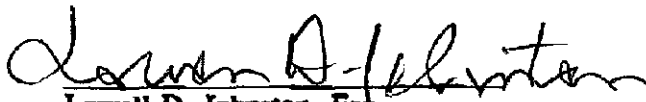
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Lowell D. Johnston, Esq.
Public Arbitrator


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September 5, 2002

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