

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Manuel Martins, (Claimant) vs. Roan Capital Partners, L.P., (Respondent)

Case Number: 99-04032

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Manuel Martins, hereinafter referred to as "Claimant": John E. Lawlor, **Esq.**, a sole practitioner, Mineola, NY. Previously represented by: Robert C. Hess, Esq. and Alan G. Graffin, **Esq.**, Harold Leib & Associates, P.A., Clifton, NJ.

Respondent, Roan Capital Partners, L.P., hereinafter referred to as "Respondent": Steven Altman, **Esq.**, Ziegler, Ziegler & Altman LLP. New York, NY. Previously represented by: Douglas C. Evans, Non-Attorney Representative, Roan Capital Partners, L.P., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: August 30, 1999.

Claimant signed the Uniform Submission Agreement: August 30, 1999.

Statement of Answer filed by Respondent on or about: November 30, 1999.

Respondent signed the Uniform Submission Agreement.

CASE SUMMARY

Claimant asserted the following causes of action: failure to properly explain margin trading; unauthorized trading; breach of fiduciary duty; fraudulent misrepresentations; wilful and blatant disregard of Claimant's instructions; breach of contract; and failure to supervise. Claimant's claim involved the common stock of Semiconductor Laser International Corporation, Wavephore, Inc., Incontrol, Inc., Tristar Corp., and United Ventures Group, Inc.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: all trades in Claimant's account were undertaken with his express verbal authorization; trade confirmations were sent to Claimant's address of record immediately upon execution of all trades in his account; Claimant continued to do business with Respondent for six months, even though he now claims to have been thoroughly dissatisfied by representatives at the firm; courts have held that a party's

continued dealings with a broker and failure to complain about unauthorized trades until six months later amounted to ratification of the trades; Claimant never complained to any supervisors or regulators; and before trading on margin, Claimant reviewed all disclosures and signed a margin agreement that detailed the benefits and drawbacks of trading on margin.

RELIEF REQUESTED

Claimant requested:

- a. Payment to Claimant by Respondent of all margin interest paid, in the amount of \$2,109.13;
- b. Payment to Claimant by Respondent of all losses incurred as a result of Respondent's unauthorized trading and fraudulent misrepresentations, in the amount of \$99,243.17;
- c. Payment of punitive damages in the amount of \$300,000.00;
- d. Payment of all interest and costs of this arbitration proceeding;
- e. Payment of attorney's fees; and
- f. Such other relief as the Panel deems equitable and just.

Respondent requested that all claims asserted in this action be denied in their entirety and dismissed against it, and that it be awarded:

- a. All forum fees assessed as a result of this action;
- b. All non-attorney representative fees incurred as a result of this action; and
- c. Any other fees that the Panel deems just.

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 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 be and hereby is liable for and shall pay to Claimant the sum of \$68,613.93 as compensatory damages, inclusive of interest at the rate of 7% from January 1, 1999 to December 6, 2000.

2. Claimant's request for punitive damages is hereby denied
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
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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, Roan Capital Partners, L.P. is a party.

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

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 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 Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference: July 19, 2000	1 session

Three (3) Hearing sessions x \$1,125.00	= \$3,375.00
Hearing Dates: October 25, 2000	1 session
December 6, 2000	2 sessions

Total Forum Fees	= \$4,500.00
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1. The Panel has assessed \$3,375.00 of the forum fees against Claimant.
2. The Panel has assessed \$1,125.00 of the forum fees against Respondent.

Fee Summary

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$3,375.00
Total Fees	= \$3,675.00
Less payments	= \$2,425.00
Balance Due NASD Dispute Resolution, Inc.	= \$1,250.00

2. Respondent be and hereby is solely liable for:

Member Fees	= \$4,600.00
Forum Fees	= \$1,125.00
Total Fees	= \$5,725.00
Less payments	= 0.00
Balance Due NASD Dispute Resolution, Inc.	= \$5,725.00

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

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.

Virginia M. Handal-Miller
Public Arbitrator, Presiding Chair

Signature Date

Allan C. Rabinowitz
Public Arbitrator

Signature Date

John M. Dasher
John M. Dasher, Esq.
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

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Virginia M. Handal-Miller
Public Arbitrator, Presiding Chair

Signature Date

Allan C. Rabinowitz
Public Arbitrator

Jun 2 2001

Signature Date

John M. Dasher, Esq.
Industry Arbitrator

Signature Date

Date of Service (For NASD office use only)

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.

Virginia M. Handal-Miller
Virginia M. Handal-Miller
Public Arbitrator, Presiding Chair

January 13, 2001
Signature Date

Allan C. Rabinowitz
Allan C. Rabinowitz
Public Arbitrator

Signature Date

Allan C. Rabinowitz
Public Arbitrator

John M. Dasher, Esq.
John M. Dasher, Esq.
Industry Arbitrator

Signature Date

John M. Dasher, Esq.
Industry Arbitrator

Date of Service (For NASD office use only)