

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between:

Edmund Coleman, John Fruscella, and Andrew Irish, Claimants vs. HSBC Securities (USA) Inc., Respondent

Case Number: 99-04547

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimants, Edmund Coleman ("Coleman"), John Fruscella ("Fruscella") and Andrew Irish ("Irish"), hereinafter collectively referred to as "Claimants": Jonathan Sack, Esq., Sack & Sack, New York, NY.

Respondent, HSBC Securities (USA) Inc. ("HSBC"), hereinafter referred to as "Respondent": Kenneth J. Kelly, Esq., Epstein, Becker & Green, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: October 5, 1999

Claimants signed the Uniform Submission Agreement: October 25, 1999

Statement of Answer filed by Respondent on or about: January 10, 1999

Respondent signed the Uniform Submission Agreement: February 15, 2000

CASE SUMMARY

Claimants asserted the following causes of action: breach of employment contract; breach of implied contract; quantum meruit; and violation of Article VI of the New York Labor Law Section 193.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: failure to state a claim upon which relief may be granted; Claimant Coleman constructively resigned; Claimants' damages should be reduced by amounts earned in mitigation of damages; Claimants were employees-at-will and did not have any expectation of continued employment; and Claimants are barred from claiming severance pay and benefits, attorneys' fees and liquidated damages pursuant to Labor Law Section 198.

RELIEF REQUESTED

Claimants requested \$3,000,000.00 in compensatory damages plus punitive damages, interest, attorneys' fees and costs.

Respondent requested an award dismissing the statement of claim and awarding it the cost and disbursement of this action, and such other relief as the Panel deems appropriate.

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. Claimant's claims are hereby dismissed in their entirety.
2. Respondent must reimburse Claimants for the \$500.00 filing fee previously paid to NASD Dispute Resolution, Inc.
3. All other requests 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	= \$ 500.00
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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 persons at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$ 2,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$ 4,500.00

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 \$1200	= \$ 1,200.00
Pre-hearing conference(s): September 22, 2000 1 session	
Six (6) Hearing sessions x \$1200	= \$ 7,200.00
Hearing Dates:	
May 8, 2001	2 sessions
May 9, 2001	2 sessions
May 22, 2001	2 sessions
Total Forum Fees	= \$ 8,400.00

1. The Panel has assessed \$8,400.00 of the forum fees against Respondent.

Fee Summary

1. Claimants be and hereby are liable for:

<u>Initial Filing Fee</u>	= \$ 500.00
<u>Total Fees</u>	= \$ 500.00
<u>Less payments</u>	= \$ 1,700.00
Refund due Claimants	= \$ 1,200.00

2. Respondent be and hereby is solely liable for:

<u>Member Fees</u>	= \$ 7,600.00
<u>Forum Fees</u>	= \$ 8,400.00
<u>Total Fees</u>	= \$16,000.00
<u>Less payments</u>	= \$ 1,800.00
Balance Due NASD Dispute Resolution, Inc.	= \$14,200.00

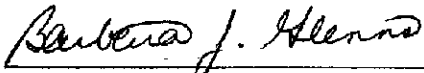
All balances are due and payable to NASD Dispute Resolution, Inc.

ARBITRATION PANEL

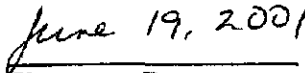
Barbara J. Glenns, Esq.	-	Industry Arbitrator, Presiding Chair
Edward Buscemi	-	Industry Arbitrator
William A. Despo, Esq.	-	Industry Arbitrator

Concurring Arbitrators' Signature(s)

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.



Barbara J. Glenns, Esq.
Industry Arbitrator, Presiding Chair



Signature Date

Edward Buscemi
Industry Arbitrator

Signature Date

William A. Despo, Esq.
Industry Arbitrator

Signature Date

June 26, 2001

Date of Service (For NASD office use only)

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ARBITRATION PANEL

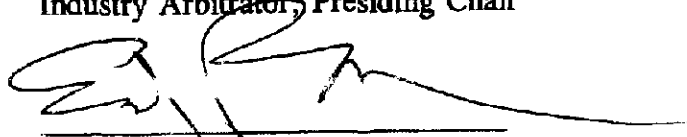
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Barbara J. Glenns, Esq.
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Signature Date



Edward Buscemi
Industry Arbitrator



Signature Date

William A. Despo, Esq.
Industry Arbitrator

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ARBITRATION PANEL

Barbara J. Glenns, Esq.	-	Industry Arbitrator, Presiding Chair
Edward Buscemi	-	Industry Arbitrator
William A. Despo, Esq.	-	Industry Arbitrator

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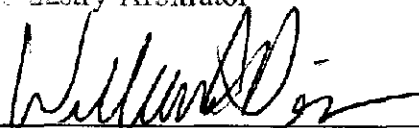
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Barbara J. Glenns, Esq.
Industry Arbitrator, Presiding Chair

Signature Date

Edward Buscemi
Industry Arbitrator

Signature Date



William A. Despo, Esq.
Industry Arbitrator

6/21/01
Signature Date

June 26, 2001

Date of Service (For NASD office use only)