

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

L.H. Ross & Company, Inc. (Claimant) v. Gerald R. Sharpe, Jr., Nicholas D'Amico, Joseph Carrara and Dawn Sharpe (Respondents)

Case Number: 04-08270

Hearing Site: Newark, New Jersey

Nature of the Dispute: Terminated Member vs. Associated Persons

REPRESENTATION OF PARTIES

Claimant L.H. Ross & Company, Inc. ("Claimant"), hereinafter referred to as "Claimant": Steven Shore, Esq., Gafner & Shore, LLP, New York, NY and Michael Phelan, assignee for the benefit of L.H. Ross & Co., Inc., shareholders.

Respondents Gerald R. Sharpe, Jr. ("G. Sharpe"), Nicholas D'Amico ("D'Amico"), Joseph Carrara ("J. Carrara"), and Dawn Sharpe ("D. Sharpe"): hereinafter collectively referred to as "Respondents": David E. Robbins, Esq., Kaufmann, Feiner, Yamin, Gildin & Robbins, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: December 6, 2004.

Reply to the Counterclaim filed on or about: January 26, 2006.

Claimant signed the Uniform Submission Agreement: December 1, 2004.

Joint Answer and Counterclaim filed by the Respondents on or about: January 24, 2005.

G. Sharpe signed the Uniform Submission Agreement: January 31, 2005.

D'Amico signed the Uniform Submission Agreement: January 31, 2005.

Carrara signed the Uniform Submission Agreement: January 31, 2005.

D. Sharpe signed the Uniform Submission Agreement: January 31, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of promissory note and breach of employment contracts.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

In their Counterclaim, Respondents asserted the following causes of action: breach of contract; lost compensation; unpaid commissions, and damage to business as a result of joining L.H. Ross.

Unless specifically admitted in its Answer to the Counterclaim, Claimant denied the allegation made in the Counterclaim and asserted various affirmative defenses.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$2,085,000.00, interest, punitive damages, costs, attorney's fees, dismissal of the Counterclaim, and such other relief as the Panel may deem just and proper.

Respondents requested that Claimant's claims be dismissed in their entirety and that they be awarded \$10,253,284.84 in compensatory damages.

OTHER ISSUES CONSIDERED AND DECIDED

The parties 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. Respondents are jointly and severally liable and shall pay to Michael Phelan as trustee/assignee for the benefit of the shareholders of L.H. Ross & Co., Inc. (Claimant), \$913,333.40 in compensatory damages plus interest at the prime rate + 1% accruing from July 14, 2006 until the award is paid in full.
2. Respondents' Counterclaims are denied in their entirety.
3. Any and all relief not specifically addressed herein, including punitive damages, is 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	= \$ 2,000.00
Counterclaim filing fee	= \$ 600.00

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. Accordingly, L.H. Ross & Company, Inc. is a party and Newbridge Securities Corporation employed the associated persons at the time of the events giving rise to the dispute.

L.H. Ross & Company, Inc.

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00

Newbridge Securities Corporation

Member surcharge	= \$ 2,800.00
Pre-hearing process fee	= \$ 750.00
Hearing process fee	= \$ 5,500.00

Forum Fees and Assessments

The Panel has assessed forum fees for each session conducted or each decision rendered on a discovery-related motion on the papers. A 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 conference sessions with the Chairperson @ \$450.00 per session
= \$ 900.00

Pre-hearing conferences: July 12, 2005 1 session
September 13, 2005 1 session

Three (3) Pre-hearing conference sessions with Panel @ \$1,200.00 per session
= \$ 3,600.00

Pre-hearing conferences: April 22, 2005 1 session
March 13, 2006 1 session
May 25, 2006 1 session

Sixteen (16) Hearing sessions with Panel @ \$1,200.00 per session = \$19,200.00

Hearings: May 31, 2006 2 sessions
June 1, 2006 2 sessions
June 2, 2006 2 sessions
June 13, 2006 2 sessions
July 6, 2006 2 sessions
July 7, 2006 2 sessions
July 10, 2006 2 sessions
July 11, 2006 2 sessions

Total Forum Fees = \$23,700.00

1. The Panel has assessed \$11,850.00 of the forum fees against the Claimant.
2. The Panel has assessed \$11,850.00 of the forum fees jointly and severally against the Respondents.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 2,000.00
Member Fees	= \$ 9,050.00
<u>Forum Fees</u>	<u>= \$11,850.00</u>
Total Fees	= \$22,900.00
<u>Less payments</u>	<u>= \$14,750.00</u>
Balance Due NASD Dispute Resolution	= \$ 8,150.00

2. Newbridge Securities Corporation is solely liable for:

<u>Member Fees</u>	<u>= \$ 9,050.00</u>
Total Fees	= \$ 9,050.00
<u>Less payments</u>	<u>= \$ 9,050.00</u>
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Filing Fee	= \$ 600.00
<u>Forum Fees</u>	<u>= \$11,850.00</u>
Total Fees	= \$12,450.00
<u>Less payments</u>	<u>= \$ 1,800.00</u>
Balance Due NASD Dispute Resolution	= \$10,650.00

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

ARBITRATION PANEL

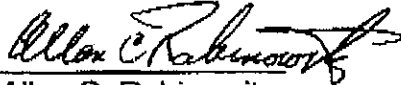
- Harold Webb, Esq. - Public Arbitrator, Presiding Chairperson
- Allan C. Rabinowitz - Public Arbitrator
- Yvonne F. Rocco - Non-Public Arbitrator

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.

Harold Webb, Esq.
Public Arbitrator, Presiding Chairperson

Signature Date


Allan C. Rabinowitz
Public Arbitrator

4/24/06
Signature Date

Yvonne F. Rocco
Non-Public Arbitrator

Signature Date

July 25, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Harold Webb, Esq.	-	Public Arbitrator, Presiding Chairperson
Allan C. Rabinowitz	-	Public Arbitrator
Yvonne F. Rocco	-	Non-Public Arbitrator

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Harold Webb, Esq.
Public Arbitrator, Presiding Chairperson

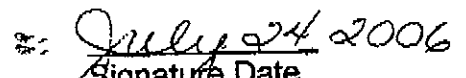
Signature Date

Allan C. Rabinowitz
Public Arbitrator

Signature Date



Yvonne F. Rocco
Non-Public Arbitrator



Signature Date


July 25, 2006

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Harold Webb, Esq.	-	Public Arbitrator, Presiding Chairperson
Allan C. Rabinowitz	-	Public Arbitrator
Yvonne F. Rocco	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures



Harold Webb, Esq.
Public Arbitrator, Presiding Chairperson

7-26-06
Signature Date

Allan C. Rabinowitz
Public Arbitrator

Signature Date

Yvonne F. Rocco
Non-Public Arbitrator

Signature Date

July 25, 2006

Date of Service (For NASD Dispute Resolution use only)