

**Consent Award**  
**NASD Dispute Resolution, Inc.**

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In the Matter of the Arbitration Between:

Teddy Galea, (Claimant) vs. Glenn Michael Financial, Inc. and John Conroy, (Respondents)

Case Number: 00-02986

Hearing Site: New York, New York

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**REPRESENTATION OF PARTIES**

Claimant, Teddy Galea, hereinafter referred to as "Claimant": Brad S. Maistrow, Esq., Snow Becker Krauss P.C., New York, NY (Mr. Maistrow was with the law firm of Meyers & Maistrow, New York, NY, when this claim was originally filed).

Respondents, Glenn Michael Financial, Inc. ("GMF") and John Conroy ("Conroy"), hereinafter collectively referred to as "Respondents": Barry R. Temkin, Esq., Jacobowitz, Garfinkel & Lesman, New York, NY.

**CASE INFORMATION**

Statement of Claim filed on or about: July 12, 2000.

Claimant signed the Uniform Submission Agreement: June 13, 2000.

Joint Statement of Answer filed by Respondents on or about: October 12, 2000.

GMF signed the Uniform Submission Agreement: November 13, 2000.

Conroy signed the Uniform Submission Agreement: October 6, 2000.

**CASE SUMMARY**

Claimant asserted the following causes of action: unauthorized trading; violation of the NASD Rules of Fair Practice; unauthorized use of margin; unsuitability; breach of fiduciary duty; fraudulent misrepresentation; failure to supervise; and respondeat superior. Claimant's claim involved the stock of Cyberian Outpost.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a cause of action upon which relief can be granted; Claimant failed to mitigate damages; Claimant, by his conduct, ratified all transactions at issue here; Claimant assumed the risk associated with the transactions of which he now complains; all or portions of Claimant's claims are barred to the extent of any comparative negligence; at all times Claimant knew or

should have known of the possible outcomes, risks, and rewards associated with his investments and voluntarily chose to assume such risks; Claimant failed to object to the trades in question pursuant to the Margin Agreement he signed; and all margin calls were in compliance with Claimant's Margin Agreement.

### **RELIEF REQUESTED**

Claimant requested compensatory damages in the amount of \$53,000.00, plus interest, costs, disbursements, attorneys' fees, and punitive damages.

Respondents requested that all claims against them be dismissed.

### **OTHER ISSUES CONSIDERED AND DECIDED**

Prior to the conclusion of the hearing, Claimant and Respondents agreed to enter into a Consent Award. This Consent Award is attached hereto, and is being submitted to the Panel for its consideration.

The parties have agreed that the Consent Award in this matter may be executed in counterpart copies or that a handwritten, signed Consent Award may be entered.

### **AWARD**

The parties entered into an Agreement to present to the Panel a Consent Award. Now, in lieu of a hearing and upon motion of all parties for entry of an Award, the written stipulation thereto, the Panel hereby grants the motion and enters this Award granting the following relief:

1. The within arbitration be and hereby is dismissed with prejudice, and the Statement of Claim is hereby denied in its entirety.
2. Respondents be and hereby are jointly and severally liable for and shall pay to Claimant, within 90 days hereof, the sum of \$37,500.00.

3. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondents GMF and Conroy's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondents GMF and Conroy must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. 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	= \$ 225.00
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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, Glenn Michael Financial, Inc. is a party.

Member surcharge	= \$1,000.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$1,500.00

#### **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 a single arbitrator x \$450.00	= \$ 450.00
Pre-hearing conference: May 29, 2001	1 session

One (1) Pre-hearing session with Panel x \$750.00	= \$ 750.00
Pre-hearing conference: March 7, 2001	1 session

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Total Forum Fees	= \$1,200.00
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1. The Panel has assessed \$600.00 of the forum fees against Claimant.
2. The Panel has assessed \$600.00 of the forum fees jointly and severally against Respondents.

**Fee Summary**

1. Claimant be and hereby is solely liable for:

Initial Filing Fee	= \$ 225.00
Forum Fees	= \$ 600.00
Total Fees	= \$ 825.00
<u>Less payments</u>	= \$ 975.00
Refund Paid to Claimant	= \$ 150.00
  
2. GMF be and hereby is solely liable for:

Member Fees	= \$3,100.00
Total Fees	= \$3,100.00
<u>Less payments</u>	= \$3,100.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00
  
3. Respondents be and hereby are jointly and severally liable for:

Forum Fees	= \$ 600.00
Total Fees	= \$ 600.00
<u>Less payments</u>	= \$ 600.00
Balance Due NASD Dispute Resolution, Inc.	= \$ 0.00

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

**ARBITRATION PANEL**

Roy L. Weiss, Esq.	-	Public Arbitrator, Presiding Chair
Hilda H. Boas	-	Public Arbitrator
Bernard J. McGuire	-	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.

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Roy L. Weiss, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

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*Hilda H. Boas*

Hilda H. Boas  
Public Arbitrator

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*1-21-02*  
Signature Date

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Bernard J. McGuire  
Industry Arbitrator

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Signature Date

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January 28, 2002  
Date of Service (For NASD office use only)