

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

JOHN G. TAUSSIG, Jr., Attorney,
P.C. DEFINED BENEFIT
PLAN AND JOHN G. TAUSSIG, III
Claimants

and

BLINDER, ROBINSON & CO., INC. AND
JOHN BEGLEY

Respondents

CASE NO. 87-01132
and 87-00552

CASE SUMMARY

In claims filed with the NASD on or about March 23, 1987 and on or about June 29, 1987, Claimants John G. Taussig, Jr. Attorney, P.C. Defined Benefit Plan and John G. Taussig, III (collectively as "Claimants") alleged that Respondent James Begley was employed as a registered representative by Respondent Blinder Robinson & Co., Inc. ("Blinder") and made material misrepresentations, executed unauthorized transactions in their accounts and failed to execute orders in their stock accounts.

In its answer and cross-claim filed with the NASD on or about April 14, 1988, Respondent Blinder denied any liability for the actions of Respondent James Begley; that it has supervisory procedures in place and was not negligent in supervising respondent James Begley. Respondent Blinder alleged that Respondent James Begley acted beyond the scope of his employment and therefore should be held liable for his actions.

Respondent James Begley has not filed any responsive pleadings in this action.

RELIEF REQUESTED

Claimants requested an award in the amount of \$3,015.00 plus interest for the accounts of John G. Taussig, III and \$19,245.00 plus interest for the account of John G. Taussig, Jr., Attorney, P.C. Defined Benefits Plan.

Respondent Blinder requested that the claim be denied or in the alternative judgment against Respondent Begley for any and all damages owed by Blinder.

AWARD

On Tuesday, April 17, 1990 in Denver, Colorado during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on June 15, 1987 by John G. Taussig, Jr. on behalf of John G. Taussig, Jr., Attorney P.C. Defined Benefit Plan and on December 12, 1986 by Claimant John G. Taussig, III, on April 13, 1988 by John J. Cox on behalf of Blinder Robinson & Co., Inc.

Respondent James Begley did not properly execute a submission to arbitration, however, Respondent James Begley was required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure and is bound by the panel's final determination on all issues submitted.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Blinder Robinson & Co., Inc. shall be and hereby is liable for and shall pay to Claimant John G. Taussig, III, the sum of Two Thousand Seven Hundred Ninety-five Dollars (\$2,795.00);
2. Interest at the rate of 8% per annum is awarded on the above stated sum, from and inclusive of October 1, 1985 to and inclusive of the date of payment of this award;
3. Respondent Blinder Robinson & Co., Inc. shall be and hereby is liable for and shall pay to Claimant John G. Taussig, Jr., Attorney, P.C. Defined Benefit Plan, the sum of Seven Thousand Five Hundred Forty-Five Dollars (\$7,545.00);
4. Interest at the rate of 8% per annum is awarded on the above stated sum, from and inclusive of October 1, 1985 to and inclusive of the date of payment of this award;
5. The cross-claim of Respondent Blinder Robinson & Co., Inc. shall be and hereby is dismissed without prejudice;

6. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$500.00 filing fee previously deposited with the NASD by the Claimants. Respondent Blinder, Robinson & Co. shall pay to Claimants \$500.00 representing the filing fee and shall pay to the NASD \$500.00 as additional forum fees.

By the Panel

Dated: 5-21-90 /S/ Holly S. Stein, Esq.
Presiding Chair

Dated: 5-21-90 /S/ Dennis R. Frohlich, Esq.

Concurring in Paragraphs 1 through 5 above and dissenting in Paragraph 6 above.

Dated: 5-26-90 /S/ Vincent P. Fitzgerald, CPA

Date Served: 5-29-90