

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)
)
WILLIAM and EVE LEHRFELD,)
)
) Claimants,)
) Case #87-01704
vs.) Award
)
RLR SECURITIES GROUP, INC., STANLEY)
)
LEVIN, NORMAN ROBBINS and ALVIN ROSENBLUM,)
)
) Respondents.)
)

Heard before the members of the Arbitration Panel:

Arthur J. Leibell, Esq.
Steven D. Elias, Esq.
Patricia A. Shub, Esq.

CASE SUMMARY

This claim was filed with the NASD, Inc. on September 9, 1987. The hearing was conducted in Fort Lauderdale, Florida on December 18, 1989 with a total of two sessions.

Claimants, William and Eve Lehrfeld ("Lehrfelds"), alleged that RLR Securities Group, Inc. ("RLR"), Stanley Levin ("Levin"), Alvin Rosenblum ("Rosenblum"), and Norman Robbins ("Robbins") solicited them to purchase "junk" equity securities which were unsuitable for Claimants' stated investment objectives; that Claimants wanted utilities for the dividend income; and, that Respondents sold them the unsuitable securities for the purpose of generating commission income.

Respondents, Levin and Robbins, denied all allegations of wrongdoing and skleged the affirmative defense of: failure to state a claim; laches; waiver; estoppel; good faith; conformity with all applicable rules and regulations; no causation; failure to mitigate damages; and, transfer of account on July 1987. Robbins denied ever trading in Claimants' account, and Levin denied discussing investment objectives with Claimants.

Respondent Rosenblum failed to file any Answer or to execute a Submission Agreement.

RELIEF REQUESTED

Claimants requested damages in the amount of \$50,000.00.

Respondents, Levin and Robbins, requested dismissal of the Claim, an award of attorney's fees, costs, and other relief.

AWARD

On December 18, 1989, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on March 9, 1988, by Respondents Stanley Levin and Norman A. Robbins on May 17, 1989, and not signed by Alvin Rosenblum as required by Section 25(b) of the Code. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. 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. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD, Inc.
2. Respondent, Robbins, shall not be liable to Claimants and, therefore, all claims against him are hereby dismissed.
3. Respondent, Levin, is hereby liable and shall pay to Claimants the amount of Twelve Thousand Three Hundred Seventy Five and 00/100 (\$12,375.00) Dollars for violation of Section 517.301, Florida Statutes.
4. Respondent, Rosenblum, is hereby liable and shall pay to Claimants the amount of Twenty Nine Thousand Two Hundred Fifty and 00/100 (\$29,250.00) Dollars for violation of Section 517.301, Florida Statutes.
5. Respondents', Levin and Robbins, request for attorney's fees and costs is hereby denied.
6. Pursuant to Section 43 of the Code of Arbitration Procedure, Respondents, Levin and Rosenblum, are hereby assessed forum fees, jointly and severally, in the amount of One Thousand and 00/100 (\$1,000.00) Dollars (\$500.00 x two sessions) payable to the National Association of Securities Dealers, Inc. The NASD, Inc. shall refund the Five Hundred and 00/100 (\$500.00) Dollar filing fee previously deposited by the Claimants for such forum fees.
7. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

OTHER ISSUES

Pursuant to the Order for Relief in Case No. 88-00868-BKC-AJC, by the Bankruptcy Court, Respondent RLR was removed as a party to this proceeding.

This Panel has found adequate service of pleadings and Notice of the Hearing upon Respondent Rosenblum by the NASD, Inc., despite Mr. Rosenblum's apparent decision to absent himself from the hearing of this matter.

ARBITRATORS CONCURRING

Arthur J. Leibell, Esq. and Steven D. Elias, Esq.

ARBITRATOR DISSENTING

The undersigned arbitrator, while concurring in the Award, in substance, hereby dissents to that portion of the Award which dismisses the claims against Respondent Robbins.

Patricia A. Shub, Esq.

Received this 10th day of January 1990.