

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

-----  
In the Matter of the Arbitration Between )  
David A. and Claudia Schaefer, )  
Claimants, ) Case #87-02001  
vs. ) Award  
First Jersey Securities, )  
Robert E. Brennan, Richard Hunt and )  
Brady Neeld, )  
Respondents. )  
-----

Heard before the members of the Arbitration Panel:

Mark Perry, Esq.  
Ms. Patricia A. Shub  
Mr. Thomas E. Feeley

CASE SUMMARY

This claim was filed with the NASD, Inc. on October 21, 1987. The hearing was conducted in Fort Lauderdale, Florida on August 10, 1989 with a total of 2 sessions.

Claimants, David and Claudia Schaefer ("the Schaefers") alleged that Respondents, First Jersey Securities, Inc. ("FJS"), Robert E. Brennan ("Brennan"), Richard Hunt ("Hunt") and William Brady Neeld ("Neeld"): induced Claimants into purchasing unsuitable securities; manipulated stock prices; omitted to state material facts; failed to disclose the risks attendant to the securities in Claimants account; misrepresented the performance of stocks; breached their fiduciary duty; refused to sell stock when asked; traded in Claimants account without authorization and violated Section 20 of the Exchange Act. Respondents alleged that: all trades were in accord with Claimants investment objectives; Claimants were apprised of all the risks involved; made an informed decision to make the investments; ratified the transactions; were informed that FJS was a Market Maker in those stocks; and that all trades were executed at prices consistent with then current market and regulatory requirements and guidelines; no sell order was ever refused from Claimants; no guarantees were made as to performance of the investments; the investments were suitable, and all trades were authorized by Claimants. Brennan, through his attorney, waived his personal appearance at the hearing.

## RELIEF REQUESTED

Claimants requested damages in the amount of Fifteen Thousand Nine Hundred Eighty-Five and 00/100 (\$15,985.00) Dollars inclusive of interest at the legal rate of 12% per annum, punitive damages, attorney's fees and other costs. Respondents requested dismissal of the claim.

## AWARD

On August 10, 1989, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on November 4, 1987, and by Respondent FJS on January 4, 1988, by Respondents Brennan and Hunt on January 6, 1988 and by Respondent Neeld on January 4, 1988. 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, Hunt, is hereby not liable to Claimants and, therefore, all claims against him are hereby dismissed.
3. Respondents, FJS, Neeld and Brennan are hereby liable, jointly and severally and shall pay to Claimants the amount of Fifteen Thousand Nine Hundred Eighty-Five and 00/100 (\$15,985.00) Dollars inclusive of interest at the legal rate of 12% per annum.
4. Respondent, Neeld, is hereby liable and shall pay to Claimants the further amount of Three Thousand Five Hundred and 00/100 (\$3,500.00) Dollars for punitive damages.
5. Claimants request for attorney's fees is hereby dismissed in all respects for failure to state a legal basis upon which such a request may be granted.
6. Pursuant to Section 43 of the Code of Arbitration Procedure, the arbitrators have assessed forum fees in the amount of Eight Hundred and 00/100 (\$800.00) Dollars (\$400 x 2 sessions). Respondents, FJS, Brennan and Neeld are hereby assessed forum fees in the amount of Eight Hundred and 00/100 (\$800.00) Dollars for which they shall be jointly and severally liable, Four Hundred and 00/100 (\$400.00) Dollars of which shall be paid directly to Claimants and the remaining Four Hundred and 00/100 (\$400.00) Dollars to be paid to the NASD, Inc. The National Association of Securities Dealers, Inc. shall retain the Four Hundred and 00/100 (\$400.00) Dollar filing fee previously deposited by the Claimant.

7. The parties shall each bear all other costs and expenses incurred by them in connection with this proceedings.

OTHER ISSUES

None.

ARBITRATORS CONCURRING

Mark Perry, Esq.  
Patricia A. Shub  
Thomas E. Feeley

Dated: August 18, 1989