

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between

Catherine Sepe  
Gennaro Sepe  
and Catherine Sepe as Executrix of the  
Estate of Peter Sepe

Claimants

vs.

Blinder, Robinson & Co., Inc.  
Alfred Gerriets

Respondents

=====

CASE #88-00628  
AWARD

CASE SUMMARY

Claimants allege that Alfred Gerriets, formerly a registered representative with Blinder, Robinson & Co., Inc., recommended that they sell their municipal bond holdings and purchase a number of shares of Bulb-Miser, a penny stock. Claimants further allege that such investment was unsuitable for them in light of their investment experience and financial condition. They further allege that Blinder-Robinson failed to supervise Gerriets.

Respondent, Blinder, Robinson & Co., Inc. denies liability, interposes eleven Affirmative Defenses and Crossclaims against Alfred Gerriets.

Respondent Alfred Gerriets denies liability and interposes eight Affirmative Defenses.

RELIEF REQUESTED

Claimants request that the arbitration panel award them damages as follows:

- \$50,505.00 plus interest to Catherine Sepe, individually and as executrix;
- \$2,195.00 plus interest to Gennaro Sepe;
- \$42,000.00, which represents loss of value of their funds;
- \$100,000.00 in punitive damages; and
- attorneys' fees.

Respondents request that the panel deny the claims. Should the panel find that they are liable, Respondent Blinder, Robinson & Co., Inc. requests an award on its Crossclaim.

AWARD

On January 18 and 19, 1990, March 15, 1990 and March 22, 1990 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on February 22, 1988 and by Respondents, Blinder, Robinson & Co., Inc. and Alfred Gerriets on August 3, 1988 and May 26, 1988, respectively. The hearing was conducted in New York City, New York and consisted of eight sessions. 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. Claimant, Catherine Sepe, individually and as executrix of the estate of Peter Sepe, is hereby awarded Forty-Two Thousand Dollars and Zero Cents (\$42,000.00) plus interest in the amount of Ten Thousand, One Hundred and Ninety-Five Dollars and Fifty Cents (\$10,195.50).
2. Claimant, Gennaro Sepe, is hereby awarded Two Thousand Dollars and Zero Cents (\$2,000.00) plus interest in the amount of Six Hundred and Ten Dollars and Zero Cents (\$610.00).
3. Claimants' claims for punitive damages and attorneys' fees are denied. Respondent, Blinder, Robinson & Co., Inc.'s Crossclaim is likewise denied.
4. Respondent, Blinder Robinson & Co., Inc., is liable to Claimant, Catherine Sepe, individually and as executrix, for seventy-five percent of her award and shall pay her Thirty-Nine Thousand, One Hundred and Forty-Six Dollars and Sixty-Two Cents (\$39,146.62).
5. Respondent, Alfred Gerriets is liable to Claimant, Catherine Sepe, individually and as executrix of the estate, for twenty-five percent of her award and shall pay her Thirteen Thousand and Forty-Eight Dollars and Eight-Eight Cents (\$13,048.88).
6. Respondent, Blinder, Robinson & Co., Inc. is liable to Claimant, Gennaro Sepe, for seventy-five percent of his award and shall pay him One Thousand Nine Hundred and Fifty-Seven Dollars and Fifty Cents (\$1,957.50).
7. Respondent, Alfred Gerriets, is liable to Claimant, Gennaro Sepe, for twenty-five percent of his award and shall pay him Six Hundred and Fifty-Two Dollars and Fifty Cents (\$652.50).
8. Blinder, Robinson & Co., Inc. is therefore liable to Claimants for a total of Forty-One Thousand, One Hundred and Four Dollars and Twelve Cents (\$41,104.12).

9. Alfred Gerriets is therefore liable to Claimants for a total of Thirteen Thousand, Seven Hundred and One Dollars and Thirty-Eight Cents (\$13,701.38).
10. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$750.00 filing fee previously deposited by the Claimants.
11. Pursuant to Section 43 of the Code of Arbitration Procedure, Respondent Blinder, Robinson & Co., Inc. is assessed \$5,250.00 in forum costs to be made payable to NASD, Inc.


ARBITRATOR CONCURRING

  
David M. Kaplan

Dated: May 16, 1990

9. Alfred Gerriets is therefore liable to Claimants for a total of Thirteen Thousand, Seven Hundred and One Dollars and Thirty-Eight Cents (\$13,701.38).
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ARBITRATOR CONCURRING

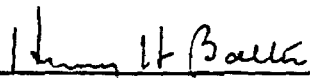
  
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Jack Friedman

Dated: May 21, 1990

MARGARET O'CONNOR  
Notary Public, State of New York  
No. 24-4877792  
Qualified in Kings County 40  
Commission Expires November 24, 1991

9. Alfred Gerriets is therefore liable to Claimants for a total of Thirteen Thousand, Seven Hundred and One Dollars and Thirty-Eight Cents (\$13,701.38).
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ARBITRATOR CONCURRING

  
Henry H. Balter

Dated: May 21, 1990