

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Isaak Dore, Stanislaw Frankowski,  
Jesse Goldner, and Judith Cromwell

Claimants

and

Blinder, Robinson & Co., Inc.  
and Roland Levi

Respondents

CONSOLIDATED

CASE NOS. 88-00631, 88-00632  
and 88-00633

CASE SUMMARY

Jesse Goldner, Judith Cromwell, Isaak Dore, and Stanislaw Frankowski (collectively referred to herein as "Claimants") alleged as follows:

1. Roland Levi, a registered representative of Blinder, Robinson, & Co., Inc. (Levi and Blinder are collectively referred to herein as "Respondents") made misrepresentations and omissions of material fact regarding certain securities;
2. Respondents sold Claimants unregistered non-exempt securities in violation of the Missouri security laws;
3. Claimants were unsuitable for the investments recommended by the Respondents; and
4. Respondents violated Article 3, Sections 1 and 2 of the NASD Rules of Fair Practice.

Respondents denied each claim of the Claimants and further alleged:

1. The securities that were sold to the Claimants which were not registered were properly exempt from any registration requirements;
2. Claimants were sophisticated and were aware of the risks of the investments;
3. Blinder is not liable for any of the alleged wrong-doing of Roland Levi, and Blinder properly supervised Levi;
4. Claimants claims are barred under the doctrines of contributory negligence, waiver, estoppel, in pari delicto, and ratification; and
5. Claimants breached their agreement with Blinder by failing to object to their respective trades within reasonable time.

### RELIEF REQUESTED

Claimants requested:

1. The following actual damages:
  - a) Jesse Goldner and Judith Cromwell - \$2,020.00;
  - b) Isaak Dore - \$11,558.75;
  - c) Stanislaw Frankowski - \$9,312.61.
2. Punitive damages; and
3. Interest.

Respondents requested that the claims be dismissed and that Blinder be awarded its attorneys' fees and costs.

### AWARD

On February 26, 1988, the NASD received the Statement of Claims from each of the Claimants. On February 22, 1990, during a hearing lasting three (3) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in the submissions to arbitration signed on February 2, 1988 by Jesse Goldner and Judith Cromwell, on February 24, 1988 by Isaak Dore, and Stanislaw Frankowski, on August 5, 1988 by Steven B. Theys on behalf of Blinder, Robinson & Co., Inc. and on September 8, 1988 by Roland Levi.

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. Blinder, Robinson & Co., Inc. and Roland Levi shall be jointly and severally liable for and shall pay the following amounts to:

- (a) Jesse Goldner and Judith A. Cromwell:
  - (1) Actual damages in the amount of \$2,020.00 together with interest accruing at the rate of 8% per annum from January 22, 1987 until payment; and
  - (2) Punitive damages in the amount of \$2,020.00.
- (b) Isaak Dore:
  - (1) Actual damages in the amount of \$11,558.75 together with interest accruing at the rate of 8% per annum from February 20, 1987 until payment; and
  - (2) Punitive damages in the amount of \$11,558.75; and

(c) Stanislaw Frankowski:

(1) Actual damages in the amount of \$9,312.61 together with interest accruing at the rate of 8% per annum from March 30, 1987 until payment; and

(2) Punitive damages in the amount of \$9,312.61.

2. The parties shall bear their own attorneys' fees and costs; and

3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the filing fee previously deposited by the Claimants with the NASD and Blinder, Robinson & Co., Inc. shall pay to the NASD \$800.00 in forum fees.

Dated: Apr 30, 1990 /S/ Albert G. Webber, III  
By the Panel  
Albert G. Webber, III  
Presiding Chair

Dated: \_\_\_\_\_ /S/ \_\_\_\_\_  
Stephen Novack

Dated: \_\_\_\_\_ /S/ \_\_\_\_\_  
John Shepley

(c) Stanislaw Frankowski:

(1) Actual damages in the amount of \$9,312.61 together with interest accruing at the rate of 8% per annum from March 30, 1987 until payment; and

(2) Punitive damages in the amount of \$9,312.61.

2. The parties shall bear their own attorneys' fees and costs; and

3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the filing fee previously deposited by the Claimants with the NASD and Blinder, Robinson & Co., Inc. shall pay to the NASD \$800.00 in forum fees.

By the Panel

Dated: \_\_\_\_\_

/S/

Albert G. Webber, III  
Presiding Chair

Dated: May 3, 1990

/S/

Stephen Novack  
Stephen Novack

Dated: \_\_\_\_\_

/S/

John Shepley

(c) Stanislaw Frankowski:

- (1) Actual damages in the amount of \$9,312.61 together with interest accruing at the rate of 8% per annum from March 30, 1987 until payment; and
- (2) Punitive damages in the amount of \$9,312.61.

2. The parties shall bear their own attorneys' fees and costs; and

3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the filing fee previously deposited by the Claimants with the NASD and Blinder, Robinson & Co., Inc. shall pay to the NASD \$800.00 in forum fees.

By the Panel

Dated: \_\_\_\_\_

/S/

\_\_\_\_\_  
Albert G. Webber, III  
Presiding Chair

Dated: \_\_\_\_\_

/S/

\_\_\_\_\_  
Stephen Novack

Dated: 4/10/90

/S/

John Shepley  
John Shepley