

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of Arbitration Between

BEAR STEARNS & CO., INC.

Claimant

and

ALEXANDER ANDROS, ETHEL ANDROS and

BLINDER, ROBINSON & CO., INC.,

Respondents,

and

ALEXANDER ANDROS and ETHEL, ANDROS,

Cross Claimants and

Third Party Claimants,

and

BLINDER, ROBINSON & CO., INC.,

Respondent, Cross Claim

Respondent, Counterclaimant

Third Party Claimant

and

BORIS GLICKBERG,

Third Party Respondent

and

JOHN STRANGE,

Third Party Respondent

NASD NO. 88-02420

CASE SUMMARY

In a claim filed with the NASD on or about July 29, 1988, Claimant Bear Stearns & Co., Inc. ("Claimant") alleged that Respondents Alexander Andros executed a customer account transfer form on April 29, 1988 instructing Respondent Blinder, Robinson & Co., Inc. ("Blinder") to transfer the securities in the Andros' Blinder, Robinson accounts to Bear, Stearns & Co., Inc. That on May 17, 1988, Alexander Andros ordered the sale of 60,000 Roadmaster Industries Warrants and 600 Roadmaster Industries Units for his account at Bear Stearns. That on May 25, 1988, Alexander Andros ordered the purchase of 1500 shares of Carolco Pictures, Inc. which were purchased from the proceeds of the sale of the Roadmaster Industries Warrants and Units. Claimant further alleged that on June 8, 1988, Alexander and Ethel Andros executed an authorization to transfer the previously executed transactions from an individual account

to a joint account at Bear, Stearns. That subsequent to a conversation with Boris Glickberg, Alexander Andros instructed Respondent Blinder to halt the transfer of securities to Bear Stearns. Upon learning of Mr. Andros's instruction, Claimant covered the positions in the Roadmaster securities and liquidated the Carolco Securities positions at a loss. Claimant alleged that Respondents Alexander and Ethel Andros breached the Customers Agreement and that Respondent Blinder intentionally interfered with a contractual relationship.

In their Answer, Cross-Claim and Third Party Claim filed with the NASD on or about October 7, 1988 Respondents Andros admitted executing the account transfer forms; that the Roadmaster and Carolco transactions were solicited by John Strange; that they executed instructions to Blinder, Robinson to halt the transfer of securities; that they denied any liability for the transactions in the Bear Stearns account and that Claimant failed to comply with Section 65 of the NASD Uniform Practice Code. In the Cross-Claim against Respondent Blinder and their Third Party Claim against Boris Glickberg, Alexander and Ethel Andros alleged that Third Party Respondent Boris Glickberg made false and misleading statements to induce them to keep their account at Blinder, Robinson. Mr. & Mrs. Andros further alleged that Cross-Claim Respondent Blinder failed to comply with Section 65 of the NASD Uniform Practice Code.

In its Answer, Counterclaim and Third Party Claim filed with the NASD on or about October 11, 1988 and Answer to Cross Claim filed with the NASD on or about December 21, 1988 Respondent and Third-Party Claimant Blinder, Robinson & Co., Inc. stated that it properly supervised its registered representatives; that it acted properly regarding the customer account transfer form; alleged that Claimant intentionally interfered with a contractual relationship; and alleged that Third Party Respondent John Strange breached a written contract and Paragraph 2152, Section 2 of the NASD Manual Rules of Fair Practice.

In his Answer to the Third Party Claim filed with the NASD on or about January 12, 1989, Third Party Respondent Boris Glickberg ("Glickberg") denied the allegations asserted against him. Respondent Glickberg further stated that no statement made by him on or about June 21, 1988 in any way or manner was related to or caused the immediate arbitration.

On or about August 1, 1989, Respondents, Cross-Claimants, Third Party Respondents and Third Party Claimants Alexander and Ethel Andros filed a new pleading wherein a cross claim is asserted against John Strange which alleges that Mr. Strange was not registered to sell securities in the State of Illinois during the time period of the May, 1988 transactions.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$134,543.45 jointly and severally; exemplary damages against Respondent Blinder in the amount of \$3000,000.00; interest from the date the debit was incurred; costs and reasonable attorney's fees.

Respondents, Cross-claimants and third party claimants Alexander and Ethel Andros requested that the Statement of Claim be denied, that they be awarded damages from Blinder and Glickberg, jointly and severally in an amount equal to any award rendered against them, costs and attorneys fees.

Respondent, Counter Claimant and Third Party Claimant and Cross Claim Respondent Blinder, Robinson & Co., Inc. requested that the Statement of Claim and the Cross Claim against it be denied, that it be awarded exemplary damages in the amount of \$2,000,000.00 against Bear Stearns, costs and attorneys fees and that in the event an award is rendered against it that it be granted indemnification from Third Party Respondent John Strange.

Third Party Respondent Boris Glickberg requested that the Third Party Claim against him be dismissed and that he be awarded costs and reasonable attorneys fees.

AWARD

On Monday, May 7, 1990 and Tuesday, May 8, 1990 during a hearing lasting a total of 4 sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on July 25, 1988 by Mark E. Lehman on behalf of Claimant Bear, Stearns & Co., Inc., on September 10, 1988 by Respondents, Cross-Claimants and Third-Party Claimants Alexander and Ethel Andros, on October 10, 1988 by Steven B. Theys on behalf of Respondent, Third Party Claimant Blinder, Robinson & Co., Inc., on May 7, 1990 by Third Party Respondent Boris Glickberg, and on December 29, 1988 by Third Party Respondent John Strange.

The Arbitrators, 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. The Statement of Claim of Bear Stearns & Co., Inc. against Alexander and Ethel Andros shall be and hereby is dismissed and denied in its entirety;

2. The Statement of Claim of Bear Stearns & Co., Inc. against Blinder, Robinson & Co., Inc. shall be and hereby is dismissed and denied in its entirety;

3. The Cross-Claim of Alexander and Ethel Andros against Blinder, Robinson & Co., Inc. shall be and hereby is dismissed and denied in its entirety;

4. The Third Party Claim of Alexander and Ethel Andros against Bortis Glickberg shall be and hereby is dismissed and denied in its entirety;

5. The Cross Claim of Alexander and Ethel Andros against John Strange shall be and hereby is dismissed and denied in its entirety;

6. The Counter Claim of Blinder, Robinson & Co., Inc. against Bear Stearns & Co., Inc. shall be and hereby is dismissed and denied in its entirety;

7. The Third Party Claim of Blinder Robinson & Co., Inc. against John Strange shall be and hereby is dismissed and denied in its entirety;

8. Each party shall bear its own costs and expenses, including attorneys' fees not specifically enumerated herein; and

9. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$1,250.00 filing fee previously deposited with the NASD by the Claimant Bear Stearns & Co., Inc. Respondents Alexander and Ethel Andros shall pay to the NASD the sum of \$1,000.00 as additional forum fees. Respondent Blinder, Robinson & Co., Inc. shall pay to the NASD the sum of \$1,000.00 as additional forum fees.

BY THE PANEL

Dated: May 14, 1990

/S/ [Signature]
Robin David, Esq.
Presiding Chair

Dated: _____

/S/ _____
Jonathan Ross, Esq.

Dated: _____

/S/ _____
Gordon Neal

9. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$1,250.00 filing fee previously deposited with the NASD by the Claimant Bear Stearns & Co., Inc. Respondents Alexander and Ethel Andros shall pay to the NASD the sum of \$1,000.00 as additional forum fees. Respondent Blinder, Robinson & Co., Inc. shall pay to the NASD the sum of \$1,000.00 as additional forum fees.

BY THE PANEL

Dated: _____

/S/

Robin David, Esq.
Presiding Chair

Dated: May 14, 1990

/S/


Jonathan Ross, Esq.

Dated: _____

/S/

Gordon Neal

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BY THE PANEL

Dated: _____

/S/

Robin David, Esq.
Presiding Chair

Dated: _____

/S/

Jonathan Ross, Esq.

Dated: May 11, 1990

/S/

Gordon Neal