

2910242

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)
)
Jack and Terry Grauer,)
) Claimant,)
) Case #88-03428
vs.) Award
)
Neil Greenspan and)
Drexel Burnham Lambert, Inc.,)
) Respondent.)
)

Heard before the members of the Arbitration Panel:

Anthony J. Titone, Esq.
Ms. Virginia Rhyne
Mr. Ralph M. Byer

CASE SUMMARY

This claim was filed with the NASD, Inc. on November 3, 1988. The hearing was conducted in Fort Lauderdale, Florida on September 28, 1989 with a total of 3 sessions.

Claimants, Jack and Terry Grauer ("the Grauers") alleged that Respondents, Drexel Burnham Lambert, Inc. ("Drexel") and Neil Greenspan ("Greenspan") induced Claimants into purchasing a certain oil and gas limited partnership, which was alleged to be unsuitable, by misrepresenting facts and failing to inform them of all the risks involved with this investment. Respondents alleged that Claimants were fully informed of all the risks involved; Claimants were suitable for this investment; no guarantees as to profits were made; the decision to purchase was made solely by the Claimants after reviewing the prospectus and any losses were not caused by Respondents. Additionally, Respondents assert the affirmative defenses of: failure to state a claim; waiver; statute of limitations and laches.

RELIEF REQUESTED

Claimants requested damages in the amount of Seventeen Thousand and 00/100 (\$17,000.00) Dollars plus interest, attorney's fees and other costs. Respondents requested dismissal of the claim and other costs.

AWARD

On September 28, 1989, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on October 25, 1988, and by Respondent, Drexel on April 5, 1989 and by Respondent, Greenspan on May 4, 1989. 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. Respondents, Drexel and Greenspan are not liable and therefore all claims against them are hereby dismissed.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the Claimants are hereby assessed forum fees in the amount of Eight Hundred and 00/100 (\$800.00) Dollars for which they are jointly and severally liable. Respondent, Drexel is hereby assessed forum fees in the amount of Four Hundred and 00/100 (\$400.00) Dollars for the Prehearing Conference of September 12, 1989. The NASD, Inc. shall retain the Four Hundred and 00/100 (\$400.00) Dollar filing fee previously deposited by the Claimants in partial satisfaction of their share of such forum fees.
4. Claimant's request for attorney's fees is hereby dismissed in all respects.
5. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

OTHER ISSUES

None.

ARBITRATORS CONCURRING

Anthony J. Titone, Esq.
Ms. Virginia Rhyne
Mr. Ralph M. Byer

Dated this 20th day of October 1989.