

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

KENT R. & LAURIE C. VEINER,

Claimants.

vs .

Case #88-03512

Award

BLINDER ROBINSON & CO., INC.,

ROGER GOLDBERG AND FRED HUNT.

Respondents.

Heard before the member of the Arbitration Panel:

Arieh Leo Douer

CASE SUMMARY

This claim was filed with the NASD, Inc. on November 10, 1988. The hearing was conducted in Fort Lauderdale, Florida on March 6, 1990, with a total of two sessions.

Claimants Kent and Laurie Veiner ("the Veiners") alleged that Respondents Blinder Robinson and Co., Inc. ("Blinder"), Roger Goldberg ("Goldberg") and Fred Hunt ("Hunt") were liable for: misrepresenting the return on investment Claimants could expect by purchasing a certain stock; misrepresenting that stock as a new issue; failing to disclose the risks involved with this stock; failing to deliver a prospectus or disclosure documents; failing to advise Claimant that the stock had dropped in value after Claimants purchased it; failing to execute in a timely manner Claimant's order to liquidate the account; and violating the "know your customer rule."

Respondent Blinder alleged that: Claimant's New Account Information Card indicated investment objectives of growth with risk and speculation; Claimants were sophisticated investors with previous investment experience; a prospectus was sent when Claimants requested it; the account was liquidated less than one month from the date that liquidation was requested and that Blinder properly supervised Goldberg at all times. Blinder also asserted the affirmative defenses of: failure to state a claim; the damages sought are speculative; failure to exercise diligence; estoppel; waiver; lack of causation; adequate supervision; breach of contract; and Goldberg was an independent contractor. Additionally Blinder asserted a cross claim against Goldberg for breach of fiduciary duty.

Respondent Goldberg answered the Statement of Claim and alleged that he did not make any guarantees and otherwise denied liability. Respondent Goldberg answered the cross claim and alleged that he did not misrepresent the issue in question nor guarantee any specific growth and denied violating his fiduciary duty to Blinder.

Respondent Goldberg asserted a cross claim against Blinder and Hunt and alleged that they should be held liable for any delay in liquidating the account since the responsibility for the account was taken from Goldberg by Hunt.

Blinder answered the cross claim denying liability and alleging that: Hunt acted in accordance with proper procedure; and it was Goldberg's responsibility to make sure the prospectus was sent in proper form.

Respondent Hunt answered denying liability and alleging that his responsibility in the matter was to make the legal department immediately aware of the situation, which he did.

RELIEF REQUESTED

Claimants requested damages in the amount of \$2620.00 plus attorney's fees and other costs. Respondents requested dismissal of the claim and cross claims. Blinder, in its cross claim, requested indemnification of any damages assessed against it and Goldberg, in his cross claim, requested that damages for any liability be assessed against Blinder and Hunt.

AWARD

On March 6, 1990, the undersigned arbitrator heard the controversy between the parties as forth in submissions to arbitration signed by Claimants on November 8, 1988, and by Respondents Goldberg on May 11, 1989, Blinder on March 1, 1989 and Hunt on September 13, 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. Respondent Blinder is hereby liable and shall pay to Claimants the amount of One Thousand One Hundred and 00/100 (\$1,100.00) Dollars.
2. Respondents Blinder and Goldberg are hereby liable, jointly and severally, and shall pay to Claimants the further amount of One Thousand Five Hundred and Twenty 00/100 (\$1,520.00) Dollars.
3. Respondent Hunt is not liable and, therefore, the claims against him are hereby dismissed.
4. Respondent Goldberg is not liable to Respondent Blinder for any monies, other than those which might be due pursuant to paragraph 2 and therefore the cross claim against him is hereby dismissed in all respects.

5. Respondent Blinder is not liable to Respondent Goldberg for any monies, other than those which might be due pursuant to paragraph 2 and therefore the cross claim against it is hereby dismissed in all respects.
6. Pursuant to Section 43 of the Code of Arbitration Procedure the arbitrator has assessed Respondents Goldberg and Blinder forum fees in the amount of Two Hundred 00/100 (\$200.00) Dollars (\$100 x 2 sessions) for which they shall be jointly and severally liable. One Hundred 00/100 (\$100.00) of said Dollars forum fees shall be paid directly to Claimants as a return of their filing fee and One Hundred 00/100 (\$100.00) Dollars of which shall be paid to the NASD, Inc.
7. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including attorney's fees.

OTHER ISSUES

None.

ARBITRATOR CONCURRING


Arieh Leo Douer

Dated: March 15, 1990