

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

: In the Matter of the Arbitration Between	:	:
: J. William Dryden	:	:
: Patricia Dryden	:	:
: Claimant	:	CASE #89-01676
: vs.	:	AWARD
: Robyns Capital Corp.	:	:
: Stephen Guercio	:	:
: Respondents	:	:
: vs.	:	:
: Warren Schreiber	:	:
: Third Party Respondent	:	:

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 7, 1989 Claimants J. William and Patricia Dryden alleged that Respondents Robyns Capital Corp. and Stephen Guercio misrepresented to the Claimants the amount at which they could trade out the stocks at a given time, falsely stated that stocks were "holding up well" and "everything was going just fine," was not accessible to provide information to the Claimants and mismanaged Claimants' account. Respondent Stephen Guercio maintained that as President of Robyns Capital Corp., Warren Schreiber directed all account executives to obtain price quotes directly from him and as a result the Respondent Stephen Guercio was unable to confirm the accuracy of information given to him by Warren Schreiber and in reliance on that information, Stephen Guercio advised the Claimants to purchase or sell stock and/or to hold on to stock. Respondent Stephen Guercio maintained that if the panel finds that the information given by Stephen Guercio to the Claimants was false and misleading, then Warren Schreiber should be held fully responsible and should be required to bear the total cost of reimbursing the Claimants. Respondent Stephen Guercio further maintained he was in constant contact with the Claimants and provided them with literature and reports so they could make informed decisions and further maintained that at no time did he guarantee to the Claimants that the prices of the stocks in their account would go up. The Respondent Robyns Capital Corp. and Third Party Respondent Warren Schreiber maintained the Respondent Stephen Guercio was not misinformed by Respondent Robyns Capital Corp. as to price information and they did not make any misrepresentations or false statements to the Claimants. Respondent Robyns Capital Corp. maintained pursuant to an agreement between itself and Stephen Guercio Respondent Stephen Guercio is personally responsible for unreimbursed client account debits. Third Party Respondent Warren Schreiber maintained he managed Robyns Capital Corp. in a manner consistent with their supervisory

procedures and industry norms and the Respondent Stephen Guercio had ample access to other price information and Robyns Capital Corp. maintained current information on the issuers in question. Third Party Respondent Warren Schreiber further maintained if the Claimants are permitted to recover against him then he should be reimbursed in full by Stephen Guercio. Respondent Stephen Guercio maintained the Respondent Robyns Capital Corp. has failed to state the relationship between the Claimants' account and the alleged debit customer account balances and alleged the issue is outside the scope of this arbitration. Respondent Stephen Guercio further maintained he was prohibited at all times from contacting independent sources regarding the financial background of issuers of stock.

RELIEF REQUESTED

Claimants requested damages of \$74,647.00 plus interest, attorneys' fees, costs and disbursements. Respondent Stephen Guercio requested dismissal of all of Claimants' claims against him, or in the alternative, if the Claimants are permitted to recover against Stephen Guercio, he should be permitted to recover in full from Third Party Respondent Warren Schreiber. Respondent Stephen Guercio further requested dismissal of Robyns Capital Corp.'s claim against him, or in the alternative, if the Claimants are permitted to recover against Stephen Guercio, he should be permitted to recover in full against Robyns Capital Corp. Respondent Stephen Guercio further requested dismissal of Third Party Respondent Warren Schreiber's claim against him. Respondent Robyns Capital Corp. requested dismissal of Claimants' claims against it and dismissal of Respondent Stephen Guercio's claims against it, or in the alternative, Respondent Robyns Capital Corp. requested that if the Claimants are permitted to recover from Respondent Robyns Capital Corp. or Third Party Respondent Warren Schreiber, they should be permitted to recover in full from Stephen Guercio. In addition, Robyns Capital Corp. requested damages against Stephen Guercio of \$15,000.00 plus costs of the arbitration. Third Party Respondent Warren Schreiber requested dismissal of Stephen Guercio's claims against him, or in the alternative, if the Claimants are permitted to recover against Respondent Robyns Capital Corp. or Third Party Respondent Warren Schreiber then Robyns Capital Corp. or Warren Schreiber should be permitted to recover in full from Stephen Guercio.

AWARD

On July 12, 1990 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants J. William Dryden and Patricia Dryden on June 2, 1989 and by Respondent Robyns Capital Corp. on February 6, 1990 and by Respondent Stephen Guercio on November 1, 1989 and by Third Party Respondent Warren Schreiber on July 12, 1990. The hearing was held at the offices of the National Association of Securities Dealers, Inc. located in New York, NY and consisted of two (2) hearing 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. All claims by all parties be and hereby are dismissed in all respects.
2. The parties shall each bear their respective costs, including attorney's fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedures, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimants. In addition, the Respondent Stephen Guercio be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of \$500.00 to represent forum fees.

CONCURRING ARBITRATORS


Richard H. Rosenblum


Peter Wang


Lionel Bandler

DATED: July 12, 1990