

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Anne Gallas

90-00301

Name of Respondent(s)

M.L. Stern & Co., Inc.
Michael Felsenfeld

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on March 6, 1990.

Claimant Anne Gallas alleges that, in response to an advertisement, she contacted Respondent M. L. Stern and Co. Inc. and purchased \$20,000.00 in corporate bonds through Respondent Michael Felsenfeld. Claimant states that, at the time of the purchase, she was not informed of the high risk nature of the investment and that had she been made aware of the risk involved would never had made the investment.

Respondent assert that the claimant was fully aware of the risks involved and freely entered into the transaction because the interest rate was favorable.

DAMAGES AND RELIEF REQUESTED

Claimant seeks to recover \$20,000.00 plus costs.

Respondent seeks dismissal of the claim in its entirety plus costs.

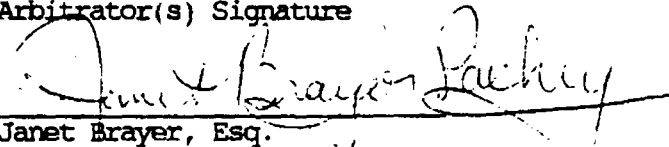
DAMAGES AND RELIEF AWARDED

On October 12, 1990 the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Anne Gallas on January 19, 1990 and by Respondent M. L. Stern and Co. Inc. on April 9, 1990 and by Respondent Michael Felsenfeld on April 20, 1990.

The hearing was conducted in San Francisco, California and lasted 2 sessions. The arbitrator, 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. Respondents M.L. Stern and Co. Inc. and Michael Feisenfeld are jointly and severally liable and shall pay to Claimant Anne Gallas the principal sum of Five Thousand, Thirty-Four Dollars and No Cents (\$5,034.17) together with interest thereon at the rate of 10% per annum from June 1, 1988 until paid in full.
2. Respondents are jointly and severally assessed and shall pay to the claimant the sum of \$400.00 as reimbursement for claimant's filing fee.
3. The parties shall each bear their other respective costs including attorneys' fees.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$400.00 filing fee previously deposited by the Claimant. In addition, Respondents are assessed the sum of \$400.00 in forum fees, to be paid directly to the National Association of Securities Dealers.

Arbitrator(s) Signature


Janet Brayer, Esq.