

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, New York 10004

In the Matter of the Arbitration Between

Name of Claimant(s)

Paul DeFalco c/f Sarah DeFalco

90-03043

Name of Respondent(s)

Hibbard Brown & Co., Inc.
Glen W. Dautrick
Richard Laus
Daniel Kaye

REPRESENTATION

Claimant, Paul DeFalco c/f Sarah Defalco UGMA CT appeared pro se.

For Respondents, Hibbard Brown & Co., Inc., Glen W. Dautrick, Richard Laus & Daniel Kaye: Roger Tolins of Tolins & Lowenfels.

CASE INFORMATION

Statement of Claim filed: 10/30/90

Claimant's Submission Agreement signed: 10/26/90.

Respondent, Hibbard Brown & Co., Inc.'s Corporate Acknowledgment signed by Richard P. Brown on behalf of the firm on: 4/5/91.

Respondent, Glen W. Dautrick's Submission Agreement signed: 4/5/91.

Respondent, Richard Laus' Submission Agreement signed: 4/5/91.

Respondent, Daniel Kaye's Submission Agreement signed: 4/8/91.

HEARING INFORMATION

Hearing Date: 10/16/91 = Two (2) Sessions.

Hearing Date: 10/17/91 = Three (3) Sessions.

Total Number of Sessions = Five (5) Sessions.

Hearing Location: New York City, NY.

AWARD-#90-03043

CASE SUMMARY

Claimant, Paul DeFalco c/f Sarah DeFalco UGMA CT, alleged that Respondents, Hibbard Brown & Co., Inc., Glen W. Dautrick, Richard Laus and Daniel Kaye induced him to purchase shares of Children's Creative Workshop and Truvel by making false promises with respect to the companies' prospects as well as with respect to respondents' commitment to "watching" the investments. Claimant further alleged that Respondents later induced him to continue to hold the shares by neglecting to provide him with pertinent negative information with regard to the status of the companies.

Respondents maintained that Claimant was an experienced investor who understood the risks of investing in unproven companies, that respondents never made the promises alleged by Claimant with respect to future prospects or to "watching" his investments and further that they provided him with all pertinent information regarding his investments as soon as said information was made available to them.

RELIEF REQUESTED

Claimant requested: Monetary damages for losses totalling \$29,281.00.

Respondents requested dismissal of the Claim.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follow:

1. Respondents, Hibbard Brown & Co., Inc. and Glen W. Dautrick, are jointly and severally liable and shall pay to Claimant, Paul DeFalco c/f Sarah DeFalco UGMA CT the sum of Twenty Thousand Dollars and No Cents (\$20,000.00);
2. Claimant's Claims against Respondent, Richard Laus, shall be and are hereby dismissed in all respects;
3. Claimant's Claims against Respondent, Daniel Kaye, shall be and are hereby dismissed in all respects;
4. The parties shall each bear their respective costs, including attorneys' fees;