

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Joseph F. Byrne

90-03525

Name of Respondent

John T. Moran
Peter E. Bulger
William E. Wehner
Joseph Fili
Gregory Hasbo

REPRESENTATION

Claimant Joseph F. Byrne ("Claimant") was represented by Douglas Capuder Esq. of the law firm of Capuder & Associates, P.C.

Respondents John T. Moran, Peter E. Bulger, William E. Wehner, Joseph Fili and Gregory Hasbo appeared pro se.

CASE INFORMATION

Statement of Claim filed on December 6, 1990.

Amended Statement of Claim filed on January 22, 1992.

Claimant's Submission Agreement signed on October 31, 1990.

Joint Statement of Answer filed by Respondent, John T. Moran and William E. Wehner on: April 4, 1991.

Respondent John T. Moran's Submission Agreement signed on April 15, 1991.

Respondent William E. Wehner's Submission Agreement signed on March 4, 1991.

Respondents Joseph Fili and Gregory Hasbo did not submit an answer nor did they execute Submission Agreements as required pursuant to Section 25 of the NASD Code of Arbitration Procedure. However, pursuant to Section 12 of the NASD Code of Arbitration Procedure the arbitrators exercised their jurisdiction over them.

Respondent Peter E. Bulger's Submission Agreement signed on: May 16, 1992.

Statement of Answer and Counterclaim filed by Respondent Peter E. Bulger on: May 17, 1991.

Amended Statement of Answer filed by Respondent Peter E. Bulger on: February 8, 1992.

Respondent Peter E. Bulger's Motion to Dismiss filed on: April 14, 1992.

Claimant's Response to Motion to Dismiss filed on: April 23, 1992

HEARING INFORMATION

Hearing Date/Sessions: May 20, 1992, 3 sessions

Hearing Location: NASD offices located in Philadelphia, Pennsylvania.

CASE SUMMARY

Claimant alleged that Respondent Joseph Fili used high pressure sales tactics to talk Claimant into opening a brokerage account with J.T. Moran & Co., Inc. and Respondent Joseph Fili did not advise Claimant of the risks involved in the investments he planned to make for Claimant. Claimant alleged Respondent Joseph Fili invested Claimant's money in high risk stocks without informing Claimant of the risks involved, when Claimant relied on Respondent to make suitable investments for him. Claimant further alleged Respondent Joseph Fili pressured him into making these investments and Respondent Joseph Fili made additional unauthorized purchases of stock that placed Claimant in severe financial difficulty which caused Claimant to borrow money to pay his debts because the stocks purchased became almost worthless. Claimant further alleged that Respondent Gregory Hasbo, the Branch Manager at J.T. Moran & Co., Inc.'s Garden City office, failed to properly discharge his supervisory responsibilities for Respondent Joseph Fili's activities; activities that were fraudulent and violated NASD rules; and Respondents John T. Moran, William E. Wehner and Peter E. Bulger, officers of J.T. Moran & Co., Inc., failed to maintain and enforce a proper system of internal supervision and control of its employees.

Respondents John T. Moran and William E. Wehner maintained that aside from conclusory and unsupported allegations lacking any mention of Respondents John T. Moran or William E. Wehner, no specific claim is articulated against them. Respondents John T. Moran and William E. Wehner further maintained that the statement of claim failed to allege in any manner whatsoever, that they had any involvement or that they participated, had knowledge, instructed, approved, commanded, encouraged, aided or abetted in the activities mentioned in the claim.

Respondent Peter E. Bulger alleged that he was not an employee of J.T. Moran & Co., Inc. at the time of the initial solicitation and the date when the investments took place. Respondent Peter E. Bulger alleged in a counterclaim costs and expenses incurred in this action, punitive damages and damages for Claimant's reckless disregard for gathering facts.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$58,971.00 plus interest for the loss sustained plus attorneys fees.

Respondents John T. Moran and William E. Webner requested that all claims against them be dismissed in their entirety and they be reimbursed legal costs incurred by them in association with defending this claim, and an award of sanctions. Respondent Peter E. Bulger requested all claims against him be dismissed in their entirety and that he be reimbursed for costs and legal fees incurred in this claim and punitive damages to be levied against Claimant.

OTHER ISSUES CONSIDERED & DECIDED

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.

AWARD

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

1. Prior to the commencement of the first hearing session the arbitration panel was informed that the Respondents John T. Moran, Gregory Hasho and William E. Webner entered into a settlement agreement with the Claimant.
2. All claims by the Claimant against all other Respondents be and hereby are dismissed in their entirety.
3. Respondent Peter E. Bulger counterclaim and request for punitive damages be and hereby is dismissed in its entirety.
4. Each party shall bear their respective costs including attorneys fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed:

3 sessions X \$500 = \$1500 minus hearing session deposit of \$500 = net \$1000 due.

Respondent Gregory Hasho be and hereby is liable and shall pay to the NASD the sum of \$50 to represent forum fees.

Page 4.
Award #90-03525

Respondent John T. Moran be and hereby is liable and shall pay to the NASD the sum of \$50 to represent forum fees.

Respondent William E. Wehner be and hereby is liable and shall pay to the NASD the sum of \$50 to represent forum fees.

Respondent Joseph Fili be and hereby is liable and shall pay to the NASD the sum of \$300 to represent forum fees.

Respondent Peter E. Bulger be and hereby is liable and shall pay to the NASD the sum of \$300 to represent forum fees.

Claimant Joseph Byrne be and hereby is liable and shall pay to the NASD the sum of \$250 to represent forum fees.

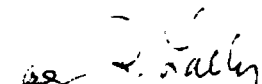
The NASD shall retain the \$150 non-refundable filing fee and \$500 hearing session fee previously deposited by Claimant.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signature:

Name

Public/Industry



Joseph R. Lally, Esq.

Public Arbitrator

Date of Decision: July 13th, 1992

Page 4.
Award #90-03525

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Claimant Joseph Byrne be and hereby is liable and shall pay to the NASD the sum of \$250 to represent forum fees.

The NASD shall retain the \$150 non-refundable filing fee and \$500 hearing session fee previously deposited by Claimant.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrator's Signature:

Name

Public/Industry



Allen B. Lang

Industry Arbitrator

Date of Decision: July 13th, 1992

Page 4.
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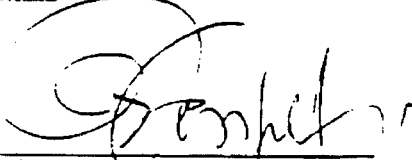
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Concurring Arbitrator's Signature:

Name

Public/Industry


Alfred E. Garfinkel

Public Arbitrator

Date of Decision: July 13th, 1992