

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Sander & Carol Herring

91-00649

Name of Respondent(s)

Norstar Brokerage Corporation
N.B. Clearing Corp.
Arnold Faist
Henry Gerbehy
Michael Peer
Randy Resnick

REPRESENTATION

For Claimant: Peter S. Pearlman, Esq. of Cohen & Lifland

For Respondents: Howard J. Meyers, Jr., Esq., Sole Practitioner.

CASE INFORMATION

Statement of Claim filed: May 16, 1991.

Claimants' Submission Agreement signed on: February 18, 1991.

Joint Statements of Answer of all Respondents dated: July 8, 1991.

Submission Agreements and Corporate Acknowledgments of All Respondents dated:
August 7, 1991

HEARING INFORMATION

Hearing Date/Sessions: November 13, 1991-Two (2) Sessions.

November 14, 1991-Two (2) Sessions.

Hearing Location: New York City, New York.

NRARD-491-00649

CASE SUMMARY

Claimants, alleged that in September of 1990 they purchased 2000 shares of Citicorp through their account at Norstar Brokerage Corporation (Norstar). Claimants stated that thereafter, in October of 1990, a dispute arose between Claimants and Norstar pursuant to which Respondents contended that the Herrings became indebted to them for a portion of the purchase price of certain Trump Taj Mahal bonds in the amount of \$3,400.00 which Claimants disputed. Claimants contended that as a result of this dispute Respondents through various fraudulent schemes, misstatements and actions have withheld and have refused to release their Citicorp Certificates until Claimants accede to their demands for payment in connection with the Trump Taj Mahal transaction.

Respondents denied each and every allegation of wrong doing set forth in the Statement of Claim and maintained that Claimants did purchase Trump Taj Mahal Bonds which they refused to pay for causing Respondents to liquidate the bonds at a loss. Respondents have further asserted a counterclaim against Claimants for the amount of the loss sustained as a result of the liquidation of the Trump Taj Mahal Bonds.

RELIEF REQUESTED

Claimants requested an award of threefold the damages sustained and counsel fees pursuant to 18 U.S.C. Section 1964(c); that the Citicorp Shares be transferred to them forthwith; compensatory and consequential damages; punitive damages; and that the N.A.S.D. take such further action against the Respondents and each of them for their willful misconduct as is deemed appropriate; and for an award of such counsel fees and costs in connection with the conversion claim as the arbitrators deem just.

Respondents requested that the Claim be dismissed in all respects and that Norstar be awarded the amount of \$3,367.82 and that costs be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award 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.

The arbitrators recommend that the conduct of Arnold Feist and Norstar Brokerage Corporation be investigated by the appropriate regulatory agency with respect to the reclaiming of the 2000 Citicorp Shares.

NRARD

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

AWARD-#91-00649

1. Respondents, Norstar Brokerage Corporation and N.B. Clearing Corp., shall forthwith deliver to Claimants, Sander and Carol Herring, their 2000 shares of Citicorp;
2. Respondents, Norstar Brokerage Corporation and N.B. Clearing Corp. are jointly and severally liable and shall pay to Claimants' attorney the sum of Three Thousand Five Hundred Dollars and No Cents (\$3,500.00) as his fees;
3. Claimants, Sander and Carol Herring, shall pay to Norstar Brokerage Corporation the debit balance of One Thousand Four Hundred Ninety Four Dollars and Forty Cents (\$1,494.40);
4. All Claims against Respondents, Randy Resnick, Michael Peer and Henry Genbehy are dismissed;
5. All other Claims are dismissed;
6. Pursuant to Section 43(c) of the Code of Arbitration Procedure the NASD, Inc. shall retain the \$200.00 non-refundable filing fee previously deposited by Claimants and the following forum fees are assessed:

FORUM FEES

4 Sessions X \$750.00 = \$3,000.00

Forum fees are assessed against:

- 1- Respondents, Norstar Brokerage Corporation and N.B. Clearing Corp, jointly and severally, in the amount of \$2,250.00.

Respondents, Norstar Brokerage Corporation and N.B. Clearing Corp. are jointly and severally liable and shall pay to Claimant an additional sum of \$950.00 which represents the filing fees previously deposited by Claimants.

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

ARBITRATION PANEL

Dorothy F. Gray, Esq.
Jerome Goodgal
James Berkowitz

Public/Chairperson
Public/Panelist
Industry/Panelist

Concurring Arbitrator's Signature


Jerome Goodgal

Date of Decision: December 31, 1991

AWARD-#91-00649

STATE OF *New Jersey* S.S.:
COUNTY OF *PASSAIC*

On this *26th* day of *Dec*, 1991, before me personally appeared JEROME GOODGAL to me known and Known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

[Signature]

26TH *Dec* *91*

[Signature]

AWARD-#91-00649

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ARBITRATION PANEL

Dorothy F. Gray, Esq.
Jerome Goodgal
James Berkowitz

Public/Chairperson
Public/Panelist
Industry/Panelist

Concurring Arbitrator's Signature


James Berkowitz

Date of Decision: December 31, 1991

AWARD-#91-00649

STATE OF *New York* S.S.:
COUNTY OF *Nassau*

On this *26* day of *Dec*, 1991, before me personally appeared JAMES BERKOWITZ to me Known and Known to me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.

EILEEN M. LOWEN
Notary Public, State of New York
No. 304684720
Qualified in Nassau County
Commission Expires April 30, 1992

Eileen M. Lowen

AWARD-#91-00649

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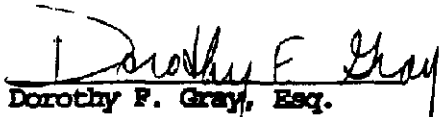
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ARBITRATION PANEL

Dorothy F. Gray, Esq.
Jerome Goodgal
James Berkowitz

Public/Chairperson
Public/Panelist
Industry/Panelist

Concurring Arbitrator's Signature


Dorothy F. Gray, Esq.

Date of Decision: December 31, 1991

AWARD-#91-00649

STATE OF *New York* S.S.:
COUNTY OF *Westchester*

On this *23rd* day of *December*, 1991, before me personally appeared DOROTHY F. GRAY, ESQ. to me known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

Susan J. Finger-----

SUSAN J. FINGER
NOTARY PUBLIC, State of New York
No. 4911207
Qualified in Westchester County
Commission Expires September 4, 19*92*