

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	:	
	:	
Beatrice & Stanley D. Monsowitz	:	
	:	
Claimants	:	CASE #91-03467
	:	AWARD
	:	
vs.	:	
	:	
The G.M.S. Group f/k/a/	:	
Moore & Schley Municipals, Inc.	:	
Marc Strasser	:	
	:	
Respondents	:	

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on November 4, 1991 Claimants Beatrice & Stanley D. Monsowitz who appeared Pro Se, alleged that Respondent The G.M.S. Group, Inc., formerly Moore & Schley Municipals, Inc. along with one of its brokers, Respondent Marc Strasser led them, who were ultra conservative investors, into a disastrous high-risk investment where they lost a good portion of their life savings. Claimants further alleged that Claimant Beatrice Monsowitz was a 70 year old widow who lived on her savings and Respondent Marc Strasser was well aware of her financial situation; as all the other investments for her were tax-free municipals bonds. Claimants contended that they made it clear they did not want to invest in anything that was in any way risky; however, Respondents invested part of Claimant Beatrice Monsowitz's retirement nest egg in ultra high risk investments, which they represented as a very low risk investment. Claimants further contended that on Respondents' advice they invested in the V.M.S. Strategic Land Fund II, which Respondents "guaranteed" was a safe investment, yielding 10% to 15% if held for the long term. Claimants asserted that several months later the investment was heading in a downward trend, and they repeatedly called Respondent Marc Strasser, at which time, he continued to reassure them that the investment was safe. Claimants further asserted that Respondents' actions caused a huge loss in their accounts due to Respondents misrepresentations about VMS Strategic Land Fund II.

Respondent The G.M.S. Group, Inc. by and through their counsel Kathryn N. Roettger, Esq., Sole Practitioner, Florham Park, NJ, maintained that they are not and never have been Moore & Schley; however, Respondent The G.M.S. Group, Inc. was

previously owned by Moore & Schley which was wholly owned by Cameron, which are both in bankruptcy. Respondent The G.M.S. Group, Inc. further maintained that it would not be appropriate to hold them responsible for any wrongful acts or omissions of Cameron's or Moore & Schley's representatives. Respondent The G.M.S. Group, Inc. contended that Claimants Beatrice & Stanley D. Monsowitz were sent a prospectus which outlined a number of guarantees which the investment carried, and Claimants may have become confused regarding the nature of the guarantees but the terms of the prospectus were clear. Respondents The G.M.S. Group, Inc. further contended that Claimants had ample opportunity to sell their investment before it significantly declined in value. Respondent The G.M.S. Group, Inc. asserted that any alleged damages were caused by or resulted from acts or omissions of persons over whom Respondent The G.M.S. Group, Inc. had no control and Claimants failed to mitigate their damages, therefore, Respondent The G.M.S. Group, Inc. is not liable.

Respondent Marc Strasser who appeared Pro Se, maintained that he only dealt with Claimant Stanley D. Monsowitz and he had no knowledge that the monies invested were earmarked for Claimant Beatrice Monsowitz's retirement whereby he had no knowledge of Claimant Beatrice Monsowitz's financial background. Respondent Marc Strasser further maintained that he relied on information given to him by Moore & Schley to recommend the investment of VMS Strategic Land Fund II, therefore, he cannot be held liable for Claimants loss.

RELIEF REQUESTED

Claimants, Beatrice & Stanley D. Monsowitz requested \$10,134.95 in actual damages.

Respondent The G.M.S. Group, Inc. requested the claim be dismissed with prejudice and costs assessed against the Claimants.

Respondent Marc Strasser requested the claim be denied.

AWARD

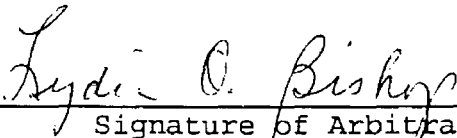
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Lydia Bishop, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on October 28, 1991 by the Respondent Marc Strasser on April 1, 1992 and by the Respondent The G.M.S. Group Inc. on March 6, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents The G.M.S. Group, Inc. and Marc Strasser are jointly and severally liable and shall pay to the Claimants Beatrice & Stanley D. Monsowitz the sum of \$10,134.95 in damages.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Beatrice & Stanley D. Monsowitz shall be retained by the NASD, Inc.
4. Respondents The G.M.S. Group, Inc. and Marc Strasser are jointly and severally liable and shall pay to the Claimants the sum of \$150.00 as reimbursement.

AFFIRMATION

I, **LYDIA O. BISHOP**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

Date of Decision: December 3, 1992

STATE OF: New Jersey

SS:

COUNTY OF: Bergen

On this 24 day of November 19 92, before me personally appeared Lydia O. Bishop to me known and known before me to be the individual described in and who executed the foregoing instrument and she duly acknowledged to me that she executed the same.

Lorraine Kimball

LORRAINE KIMBALL
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 21, 1995