

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Michael L. Carroll

92-02191

Name of Respondents

Hibbard Brown & Co., Inc.
Daniel K. Kaye

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 2, 1992, Claimant Michael L. Carroll, who appeared Pro Se, alleged that he became involved with Respondent Hibbard Brown & Co., Inc. in 1988 and since then they have purchased several stocks on Claimant's behalf based on the advice from Respondent Hibbard Brown & Co., Inc.'s "research staff". Claimant further alleged that Respondent Daniel K. Kaye, Assistant V.P. of Respondent Hibbard Brown & Co., Inc. misled Claimant when he gave him false information about certain stock and subsequently, in April, 1992 Respondent Daniel K. Kaye mysteriously left Respondent Hibbard Brown & Co., Inc., at which time, Claimant received a call from another person from Respondent Hibbard Brown & Co., Inc. informing Claimant he was taking over Respondent Daniel K. Kaye's account. Claimant contended that three weeks passed without anyone contacting him whereby he called Respondent Hibbard Brown & Co., Inc. to express his displeasure on how his account was being handled and ignored, whereby, at this time, Claimant was given information by Richard Laus, Vice President at Respondent Hibbard Brown & Co., Inc. that was contrary to information he had been receiving from Respondent Daniel K. Kaye. Claimant further contended that Respondent Daniel K. Kaye gave him misleading information on Financial Broadcast and Graystone Co. upon which Claimant relied on in his purchase of those stocks. Claimant asserted that he was misled and falsely represented by Respondents which caused a loss in his account.

Respondent Hibbard Brown & Co., Inc., by and through their in-house counsel, Steven B. Caruso, Esq., maintained that after careful review of the claim they are unable to discern any viable complaint being set forth by the Claimant Michael L. Carroll therein other than

unsupported and conclusionary assertions that Claimant "strongly feels" that the decline in the value of his portfolio resulted from being lied to by Respondent Daniel K. Kaye.

Respondent Daniel K. Kaye, who appeared Pro Se, maintained that this was the same complaint that NASD ruled upon, from their own independent investigation and determined there was no evidence of misconduct. Respondent Daniel K. Kaye further maintained that he recommended purchases of securities based on information received from the research department of Respondent Hibbard Brown & Co., Inc. and explained that Respondent Hibbard Brown & Co., Inc.'s approach to investing was long term growth. Respondent Daniel K. Kaye contended that in each case of recommending a security transaction to Claimant, a fair and balanced presentation was always given, including but not limited to the companies background.

RELIEF REQUESTED

Claimant Michael L. Carroll requested \$8,102.00 in actual damages.

Respondent Hibbard Brown & Co., Inc. requested the claim be dismissed in its entirety and they be awarded such relief as may be deemed just, proper and equitable under the circumstances including reimbursement of counsel fees.

Respondent Daniel K. Kaye requested the claims be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Jerome Goodgal, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 7, 1992, by the Respondent Hibbard Brown & Co., Inc. on November 23, 1992 and by the Respondent Daniel K. Kaye on December 18, 1992.

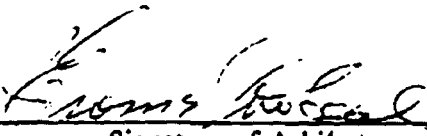
And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents Hibbard Brown & Co., Inc. and Daniel K. Kaye are jointly and severally liable and shall pay to the Claimant Michael L. Carroll the sum of \$700.00 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 Michael L. Carroll shall be retained by the NASD, Inc. Respondents Hibbard Brown & Co., Inc. and Daniel K. Kaye are jointly and severally liable and shall pay to the Claimant the sum of \$150.00. as reimbursement.

AFFIRMATION

I, **JEROME GOODGAL**, 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: April 14, 1993

STATE OF: *New York*

SS:

COUNTY OF: *NASSAU*

On this 10 day of April, 1993, before me personally appeared Jerome Goodgal to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



RONNA KATZ
Notary Public, State of New York
No. 41-4980219
Qualified in Queens County
Expires April 15, 19