

**N.A.S.D. AWARD****NATIONAL ASSOCIATION OF SECURITIES DEALERS**

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**In the Matter of the Arbitration Between****Name of Claimant****Judith Nelson Feldman****92-03280****Name of Respondent****Halpert & Company, Inc.  
Marc M. Cohen  
Craig Levin  
Alan Halpert**

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**REPRESENTATION****For Claimant: David H. Robbins, Esq. of Kaufmann, Feller, Yamin, Gilden & Robbins.****For Respondents: Mari-Anne Pisarri, Esq. of Pickard and Djinis.**

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**CASE INFORMATION****Statement of Claim filed: April 28, 1992.****Amendment to Statement of Claim filed: December 17, 1992.****Claimant's Reply to Counterclaim filed: June 28, 1992.****Claimant's Submission Agreement signed on: September 24, 1992.****Statement of Answer filed by Respondents, Halpert & Company, Inc., Marc N. Cohen, Craig Levin on: December 1, 1992.****Statement of Answer filed by Respondent, Alan Halpert on: February 1, 1993.****Respondents' Joint Counterclaim filed on: June 16, 1993****Respondents, Halpert & Company, Inc., Marc N. Cohen, Craig Levin's Submission Agreements signed on: November 30, 1992.****Respondent, Alan Halpert's Submission Agreement signed on: February 27, 1993.**

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### **HEARING INFORMATION**

Pre-Hearing Conference: April 30, 1993  
May 17, 1993

Hearing Date/Sessions: July 8, 1993 - Two Sessions

Hearing Location: NASD Offices - New York, New York

### **CASE SUMMARY**

Claimant alleges that she was solicited by Respondent, Marc Cohen ("Cohen") to purchase TWA bonds. Claimant alleges she was contacted several times that same day by Cohen who urged the purchase. Claimant alleges that Cohen told her that the bonds were an excellent investment and a good buy.

Claimant alleges that full disclosure was not made about the bonds and that she incurred a significant tax liability as a result of this purchase. Claimant alleges that she was deceived and defrauded by the Respondents in regard to this sale.

Claimant alleges that she purchased an Orlando County Bond and was never informed that it was subject to special redemption at any time. Claimant alleges that this information was withheld from her so that she could be charged a high premium for a bond that could be called at any time.

Respondents maintain that contrary to Claimant's assertions that Respondents failed to disclose that the TWA bonds were original issue discount zero coupon bonds, the bonds were regular interest-bearing bonds. Respondents maintain that the bonds were converted by the issuer approximately three months before Claimant purchased them. Respondents maintain that Respondents discussed with the Claimant the possible investment in the TWA bonds and that Claimant was apprised of the speculative nature of the bonds, and the possibility of default. Respondents maintain that Claimant and Respondents closely followed the news about the bonds for several weeks before the Claimant purchased them.

Respondents maintain that they acted responsibly and professionally at all times and that the Claimant was not coerced or defrauded.

Respondents denied that they deliberately deceived Claimant with regard to the Orlando County Bond. Respondents maintain that Claimant purchased the bond at a very competitive price and the information disclosed to the Claimant was accurate. Respondents maintain that the Claimant was advised that special or extraordinary call features exist which could affect the yield.

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### RELIEF REQUESTED

Claimant requested damages in the amount of \$24,875.00 for the TWA bond and \$4,470.00 for the Orlando County Bond.

Respondents requested that the claim be dismissed. Respondents, in their Counterclaim requested that they be awarded legal fees in this matter.

### OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD. Since the Respondents' Counterclaim only requested an award of attorney's fees, it was considered by the panel an amendment to the Statement of Answer and brief in support of legal fees.

### AWARD

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

- 1) The claim is hereby dismissed in its entirety. The Claimant knew she was taking a risk as to the investment in TWA bonds because of the high yield of the bonds. With regard to the Orlando Highway Bond, Respondents proved that they did not know that an extraordinary call was in prospect at the time they sold the bonds to the Claimant.
- 2) Each party shall bear their respective costs of this action, including attorney's fees.

### FORUM FEES

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

	\$300.00	Pre-hearing conference (April 30, 1993)
	\$300.00	Pre-hearing conference (May 17, 1993)
	\$100.00	Non-refundable filing fee
	\$600.00	Hearing Session Fees (2 Sessions x \$300.00)
<b>TOTAL:</b>	<b>\$1,300.00</b>	

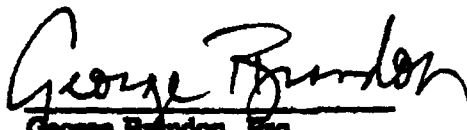
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- 1) Claimant is hereby assessed forum fees in the amount of \$1,000.00 (representing fees for the two pre-hearing conferences, the non-refundable filing fee and one-half of the hearing session fees). Claimant is entitled to offset this amount with the \$400.00 previously deposited with the NASD, Inc. Claimant is directed to pay the balance of \$600.00 to the NASD, Inc.
- 2) Respondent is assessed forum fees in the amount of \$300.00 (representing one-half of the hearing session fees). Respondents are entitled to offset this amount with the \$250.00 previously deposited with the NASD and shall pay the balance of \$50.00 to the NASD, Inc.

Arbitrator's Signature

Public Chairperson

  
George Brandon, Esq.

Date of Decision: September 8, 1993