

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Frederick A. Felter

93-00337

Name of Respondents

Hibbard Brown & Co., Inc.  
Stephanie E. Murphy

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 1, 1993, Claimant Frederick A. Felter, who appeared Pro Se, alleged that on May 1, 1992 based on the recommendation of Respondent Stephanie E. Murphy, Senior Investment Broker of Respondent Hibbard Brown & Company, Inc., he purchased 700 shares of Site Based Media at \$5 per share and over the next 7 months the stock lost 80% of its value whereby Claimant sold it for \$1.06 a share. Claimant further alleged that Respondents told him that the stock would rise over the course of 1992 and it was a great opportunity, and even when the stock declined Respondents still touted the virtues of the stock. Claimant contended that no financial information on the stock was sent to him even after he requested it. Claimant further contended that because of Respondents' actions he lost funds in his account.

Respondents Hibbard Brown & Co., Inc. and Stephanie E. Murphy by and through their in-house counsel Steven B. Caruso, Esq., maintained that based on all the information provided to them by Claimant Frederick A. Felter as well as Claimant's stated understanding of the investment arena and desire to pursue opportunities with a greater degree of risk and greater returns, Respondent Stephanie E. Murphy presented a number of investment recommendations, some of which Claimant elected to pursue and some of which he declined. Respondent further maintained that on each and every occasion where a purchase recommendation was made to Claimant, he was given a fair and balanced presentation of both the investment merits and risk associated with the investment. Respondents contended that on each and every occasion a purchase recommendation was pursued by Claimant, he was provided with a written confirmation well as subsequent account statements which fully set forth the specific details of the particular transaction.

### **RELIEF REQUESTED**

Claimant Frederick A. Felter requested \$2,757.00 in actual damages.

Respondents Hibbard Brown & Co., Inc. and Stephanie E. Murphy requested the claim be dismissed in its entirety and that they be awarded such relief as may be deemed just, proper and equitable, including counsel fees.

### **AWARD**

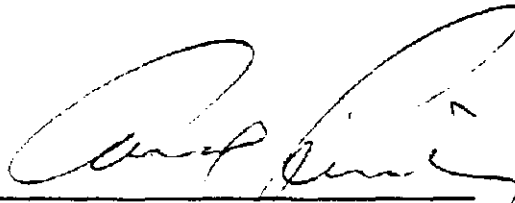
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Arnold Limsky, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on January 25, 1993 and by the Respondent Hibbard Brown & Co., Inc. on March 12, 1993 and by the Respondent Stephanie E. Murphy on March 11, 1993.

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. Respondent Hibbard Brown & Co., Inc. is liable and shall pay to the Claimant Frederick A. Felter the sum of \$1,379.00 in damages.
2. Respondent Stephanie E. Murphy is liable and shall pay to the Claimant Frederick A. Felter the sum of \$1,379.00 in damages.
3. Respondents Hibbard Brown & Co., Inc. and Stephanie E. Murphy are liable and shall pay simple interest at the rate of 7.5% per annum on their respective damages from May 1, 1992 to the date of payment of the award.
4. The parties shall bear their respective costs, including counsel fees.
5. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD. Respondent Hibbard Brown & Co., Inc. is liable and shall pay to the Claimant the sum of \$62.50, as partial reimbursement. Respondent Stephanie E. Murphy is liable and shall pay to the Claimant the sum of \$62.50, as partial reimbursement.

**AFFIRMATION**

I, Arnold Limsky, 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.

  
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Signature of Arbitrator

Date of Decision: May 25, 1993

STATE OF:  
New Jersey

ss:

COUNTY OF:  
Monmouth

On this 18 day of May 1993, before me personally appeared Arnold Limsky to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledge to me that he executed the same.

  
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CHRISTIAN R. WIDMANN  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Oct. 31, 1994