

**N.A.S.D. AWARD**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant

Michael Galeck

NASD Arbitration  
No. #93-03859

Name of Respondents

Cruttenden & Company  
Larry Butler

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**REPRESENTATION**

For Claimant: Gary L. Gebler, Esq., Irvine, California

For Respondents: John R. Loftus, Keesal, Young and Logan, Long Beach, California

**CASE INFORMATION**

Statement of Claim filed: September 20, 1993

Claimants' Submission Agreement signed: September 17, 1993

Joint Statement of Answer filed by Respondents: December 9, 1993

Respondents' Submission Agreement signed: September 17, 1993

**HEARING INFORMATION**

Hearing Dates / Sessions: July 18, 1994 - Pre-Hearing Conference - One Session  
July 26, 1994 - Two Sessions  
July 27, 1994 - One Session

Hearing Location: Los Angeles, California

### CASE SUMMARY

Claimant Michael Galeck (Galeck) brought this claim against Respondent Cruttenden & Company and their employee Larry Butler (Butler). Galeck alleged that Butler, while employed by Respondents, Cruttenden & Company, disregarded Galeck's stated investment goals and selected unsuitable investments for Galeck. Claimant also alleges that Butler recommended and purchased a great amount of highly speculative stocks for Galeck and recommended and purchased stocks that would generate a high commissions.

Respondent, Cruttenden & Company, alleged that the investments made by Galeck were at all times consistent with the strategy he discussed with Butler. Respondent alleged that Galeck is a sophisticated investor who was in frequent contact with Butler and was fully aware of the investments and their performance. Respondent alleged that Galeck knew of the risks involved in the investments in which he was investing, but nevertheless in knowing these things, did freely and voluntarily assume all risks involved in the investments. Respondent also alleged that damages, if any, were a direct, proximate and sole result of Claimant's failure to use reasonable diligence and care.

### RELIEF REQUESTED

Claimant seeks to recover the sum of \$55,463.65 plus attorney's fees.

Respondents seek dismissal of the claim in its entirety plus costs.

### 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 may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original remains on file with the NASD.

### AWARD

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:

1. Each and every claim of Claimant, Michael Galeck, against Respondents, Cruttenden & Company and Larry Butler, is dismissed.
2. The parties shall each bear their respective costs and fees.

3. The NASD shall retain all fees and deposits.

### FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure,

Claimant, Michael Galeck, is assessed the sum of \$1,800.00, representing assessments for one pre-hearing conference at \$300.00 and three hearing sessions at \$500.00 each.

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

### ARBITRATORS

<u>Name</u> .....	<u>Public / Industry</u>
George Wiener	Public
Homer L. White	Public
Robert Paset	Industry

### Concurring Arbitrators' Signatures

  
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George Wiener

\_\_\_\_\_  
Homer L. White

\_\_\_\_\_  
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Decision Date:

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