

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Lauretta M. Cronin

93-03972

Name of Respondent

Lawrence W. Katz

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on September 30, 1993, Claimant Lauretta M. Cronin, through her counsel, Joseph C. Raskauskas, Esq., Bethany Beach, DE, alleged that Respondent Lawrence W. Katz, who was President of Income Investments, Inc. at all relevant times, failed to pay to the Claimant bonus monies and severance pay, that he had indicated he would pay to her. The Claimant also alleged that Respondent Lawrence W. Katz paid all of the other employees their bonus and severance, but did not pay her. Claimant Lauretta M. Cronin contended that although she has demanded payment, the Respondent has not and continues to refuse to pay her, and that therefore, she is entitled to recover six weeks severance pay plus her bonus.

Respondent Lawrence W. Katz, through his counsel, Bruce A. Blaylock, Esq., Bethesda, MD, maintained that the employees of Income Investment, Inc. were not entitled to severance pay, but that the firm offered limited compensation in return for an agreement not to bring any legal action and return of all outstanding shares of stock in the employees possession. The Respondent contended that the Claimant has not only refused to sign an agreement not to bring legal action, but has also sued the parties in question in the Circuit Court for Montgomery County, and has refused to return her stock. The Respondent further contended that the Claimant is not entitled to compensation, and that the claim should be denied.

RELIEF REQUESTED

Claimant Lauretta M. Cronin requested actual damages consisting of \$2,963.62 for bonus money and \$2,922.00 for six weeks severance pay, plus costs, and attorney's fees.

Respondent Lawrence W. Katz requested that the claims of the Claimant be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

The arbitrator reviewed and considered the Respondent's request to file supplemental pleadings, along with the opposition. All supplemental pleadings were reviewed and considered by the arbitrator, as is within the arbitrator's discretion pursuant to Section 13(k) of the NASD Code of Arbitration Procedure.

AWARD

Pursuant to Section 10 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Industry Arbitrator, Daniel J. Donovan, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 25, 1993 and by the Respondent on January 7, 1994.

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. The claims of the Claimant Laretta M. Cronin against Respondent Lawrence W. Katz are dismissed in their entirety.
2. The parties shall bear their respective costs and attorney's fees.
3. The \$575.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, DANIEL J. DONOVAN, ESQ., 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: June 27, 1994