

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Milton A. and Ruth P. Teplin

94-00076

Name of Respondents

Hanover Sterling & Company, Ltd.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on January 5, 1994, Claimants Milton A. and Ruth P. Teplin, who appeared Pro Se, alleged that they purchased 600 shares of Alter Sales Incorporated ("Alter Sales") stock through Respondent Hanover Sterling & Company, Ltd. on October 21, 1992 after Respondent's representative told them that this stock had a bright and profitable future. Claimants further alleged that they tried to sell these shares on December 11, 1992 but were unable to reach any representative of Respondent until December 21, 1992, and they were then persuaded not to sell by a representative of Respondent. Claimants contended that they requested on numerous occasions from Respondent a quarterly report detailing Alter Sales's operations but were not provided with one. Claimants further contended that the Respondent did not provide them with a 10K Report until May, 1993. Claimants alleged that Respondent fraudulently misrepresented to them the operations and condition of Alter Sales, and that they never would have purchased the Alter Sales stock had the true business and financial condition of this company been disclosed to them. As a result of the above, Claimants alleged that they have suffered damages for which the Respondent should be held liable.

Respondent Hanover Sterling & Company, Ltd., through its counsel M. David Sayid, Esq., New York, New York, maintained that prior to investing in Alter Sales, the Claimants were appraised of the benefits and shortfalls of the transaction in question, and were forwarded an Alter Sales brochure and a 10-K

Annual Report. Respondent further maintained that in November, 1992 its representative advised Claimants that it might be a good time to sell but Claimants chose to continue holding the stock in question. As a result of the above, Respondent contended that it should not be held liable in this matter.

RELIEF REQUESTED

Claimants Milton A. and Ruth P. Teplin requested \$5,400.00 in actual damages.

Respondent Hanover Sterling & Company, Ltd. requested that the Claimant's Statement of Claim be dismissed in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public arbitrator, Henry H. Balter, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on December 31, 1993 and by the Respondent on April 21, 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. Respondent Hanover Sterling & Company, Ltd. is liable and shall pay to Claimants Milton A. and Ruth P. Teplin \$1,945.00 in actual damages.
2. Respondent Hanover Sterling & Company, Ltd. is liable and shall pay to Claimants Milton A. and Ruth P. Teplin simple interest at the rate of 8% per annum from December 11, 1992 to the date of payment of the award.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Hanover Sterling & Company, Ltd. is liable and shall pay to Claimants Milton A. and Ruth P. Teplin \$150.00 as reimbursement of the filing fee.

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AFFIRMATION

I, **HENRY H. BALTER**, do hereby affirm upon my oath of arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

Henry H. Balter

Signature of Arbitrator

DATE OF DECISION: August 2, 1994

STATE OF NY ss.:

COUNTY OF NY

On this 29 day of July 1994, before me personally appeared 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.

Deborah De Jesus

DEBORAH A. DEJESUS
Notary Public, State of New York
No. 02DE5022979
Qualified in New York County 96
Commission Expires January 24, 1996