

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Roger M. Young

NASD Arbitration
No. 94-01698

Name of Respondents

Kenneth B. Sacks
Andrew E. Mercer
Calvin Freedman
John Peters
Dan Libby

REPRESENTATION

For Claimants: In Pro Se

For Respondents: In Pro Se

CASE INFORMATION

Statement of Claim filed: May 9, 1994

Claimant's Submission Agreement signed: May 2, 1994

Statement of Answer filed by Respondents:

Kenneth B. Sacks -	August 3, 1994
Andrew E. Mercer -	July 11, 1994
Calvin Freedman -	July 08, 1994
John Peters -	July 11, 1994
Dan Libby -	June 30, 1994

Submission Agreement signed by:

Andrew E. Mercer - July 11, 1994

Calvin Freedman - July 11, 1994
John Peters - July 11, 1994
Dan Libby - June 18, 1994

HEARING INFORMATION

Hearing Dates / Sessions: July 18, 1995/two sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant, Roger M. Young (Young), alleged that Respondents sold him a \$7,000.00 interest in an "Over-riding royalty interest (ORRI) in a company they owned called the Devcon Land Company. Young alleged that said sale was induced by a promise that Young could have his money back in 6 months if Young became dissatisfied with the investment. Claimant made demands for a refund but has not received one. Claimant alleged numerous other misrepresentations, negligence and breaches of duty by the Respondents.

Respondent, John H. Peters, answered by denying having anything to do with the transaction in question, that he was not registered with the NASD at the time, and that the Claimant's specific allegations against him were not true.

Respondent, Andrew E. Mercer, answered by alleging that Respondents Libby and Sacks should bear any liability in that Libby was a registered representative, that Sacks was the Broker-Dealer at the time of the sale and that he did not engage in any sales efforts.

Respondent, Freedman, alleged that he did not sell or make any attempt to sell to Young the interest at issue, and dealt fairly in his few contacts with Young.

Respondent, Libby, alleged that it was Respondent Sacks who authorized the promise of a return of principal in six months if Young became dissatisfied with the investment and Libby otherwise denied wrongdoing.

Respondent Sacks stated in his responses to Young's claim that he was not involved in the sale and generally denied Claimant's assertion for relief.

RELIEF REQUESTED

Claimant seeks to recover the original investment of \$7,000.00 plus additional damages and lost earnings of \$21,000.00.

Respondents. Peters, Mercer, Freedman and Libby, seek dismissal of the claim in its entirety and the import of Sack's letter in response is the same.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent, Peters, submitted a letter stating that he was unable to appear at the hearing. Respondent Sacks and Respondent Libby did not appear at the hearing. There was testimony that they had told others who are parties that they would not be making an appearance. Respondents, Mercer and Freedman attended the hearing.

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 in attendance at the hearing 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, Roger M. Young, against Respondent, John Peters, is dismissed.
2. Respondent, Kenneth B. Sacks, is solely liable and shall pay to Claimant, Roger M. Young, the sum of \$5,000.00.
3. Respondent, Cuchulain (Dan) Libby, is solely liable and shall pay to Claimant, Roger M. Young, the sum of \$2,500.00.
4. Respondent, Andrew Mercer, is solely liable and shall pay to Claimant, Roger M. Young, the sum of \$2,500.00.
5. Respondent, Calvin Freedman, is solely liable and shall pay to Claimant, Roger M. Young, the sum of \$1,500.00.
6. The Panel awards post-award interest at 10% per annum on each awarded amount which shall be calculated and accrued beginning 15 days after the date of the Award until paid by the individual respondent against whom an award has been given.
7. All parties are to bear all their own costs and expenses, including NASD filing fees and hearing deposits and fees.

FORUM FEES

No additional fees are assessed.

ARBITRATORS

Name Public / Industry

Thomas M. Adams

Public Arbitrator

Leo B. Babich

Public Arbitrator

Dean Schneider

Industry Arbitrator

Concurring Arbitrators' Signatures

Thomas M. Adams

Leo B. Babich

Leo B. Babich

Dean Schneider

Date Served: 8/4/95