

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Claimant

Reich & Co., Inc.

Case Number
94-02310

Respondent

Jeffery Zieger

REPRESENTATION

Claimant, Reich & Company, Inc. ("Reich"), Martin Karlinsky, Esq. in-house counsel located in New York, New York.

Respondent, Jeffrey Zieger ("Zieger"), appeared pro se.

CASE INFORMATION

Claimant's Statement of Claim was filed on: June 8, 1994.

Claimant's Submission Agreement was signed on: June 8, 1994.

Statement of Answer was filed by Respondent on:

Respondent's Submission Agreement was filed on: September 16, 1994.

HEARING INFORMATION

Hearing Date/Sessions: February 6, 1996 - 2 Sessions

Hearing Location: NASD office located at 33 Whitehall Street, 8th Floor, New York, NY 10004.

CASE SUMMARY

Claimant alleged breach of contract and violation of the NASD Rules of Fair Practice by the Respondent, resulting in damages of \$27,855.67. Claimant stated that by written agreement dated June 3, 1993, it hired Respondent Zeiger as a registered representative. Pursuant to that agreement, Claimant alleged, Zieger received a \$12,000.00 advance as well as various other loans throughout his employment. Claimant maintained that the employment contract provided in the event Respondent voluntarily terminated his employment with Reich or Reich terminated Zieger for cause during the initial twenty-four months of his employment, Zieger was required to immediately repay the amount loaned and advanced to him in full.

Claimant further alleged in or about March 1994, Zieger voluntarily terminated his employment.

At that point, Claimant stated, it had, in addition to the initial \$12,000.00 advance, paid Zieger \$11,118.73.00 as an advance against commissions as well as charged him \$4,736.89 for an error in his accounts. The total amount thus owed upon termination, maintained Claimant was \$27,855.67.

Respondent defended by noting he previously worked for Reich & Co.'s predecessor, Vantage Securities, but resigned in 1992. Respondent explained he was contacted by Claimant and offered a position. Respondent stated he was assured he would be able to get "a reasonable quality of stock" for his customers, that he would have a private office, have his medical expenses covered by Claimant and that the research which would be provided to him was "top notch." Respondent maintained it appeared to be a good opportunity for him to build up his business and he could offer his customers a type of product through Claimant that he could not offer through his previous employer.

Respondent went on to explain that after joining Reich & Co., promises he received were not forthcoming; that in fact, a number of events occurred which eventually caused Respondent to resign. Initially, Respondent did not receive the private office promised. Then, he stated, there was an immediate penalty bid on the first Initial Public Offering done by Claimant which resulted in a substantial loss to the registered representatives. Respondent stated that in December 1993, it was revealed that Claimant did not have the financial support as previously represented resulting in Fahnestock buying out Reich & Co.

Over the next few months, Respondent stated it became difficult to reach the OTC desk and listed desk and that orders were executed unreasonably slowly. Due to rapid changes, Zieger explained money lines and monthly statements were inaccurate, causing a great deal of confusion for both brokers and clients. Overall, the service provided to customers was not acceptable according to Respondent.

Respondent continued to describe an office environment in which there was little or no supervision, where managers and registered representatives were looking for other positions outside of the company and where theft too often. Respondent concluded his defense by stating he was hired fraudulently, that his hire was only to increase the value of what was to be sold, that the company lied about being financially solid and breached the employment agreement.

RELIEF REQUESTED

Claimant requested an award in the amount of \$27,855.67 plus interest, costs, attorneys' fees and other amounts as the arbitration panel deems reasonable.

Respondent requested all claims against him be dismissed.

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. All claims are dismissed.
2. Claimant is liable for all forum fees.

FORUM FEES

Pursuant to Section 44c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

Nonrefundable filing fee:	\$ 500.00
Hearing Session Deposit (\$600.00 x 2 sessions)	\$1200.00
TOTAL FEES:	\$1700.00

1. Claimant paid \$1,100.00 and owes \$600.00.

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

ARBITRATORS SIGNATURES


James A. Tricarico, Esq.
Chairperson

Industry

Paul J. Camilleri, Esq.

Industry

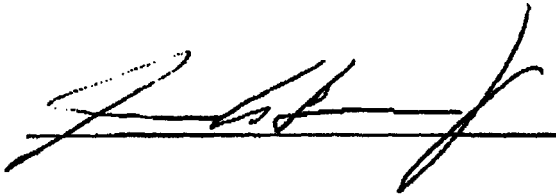
James J. Noone

Industry

Date of Decision: April 19, 1996

AFFIRMATION

I, James A. Tricarico, Jr. do hereby affirm pursuant to Article 7505 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.



FORUM FEES

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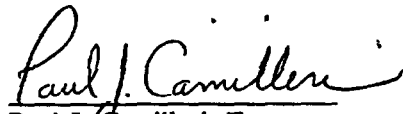
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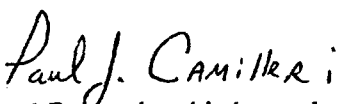
_____ James A. Tricarico, Esq. Chairperson	Industry
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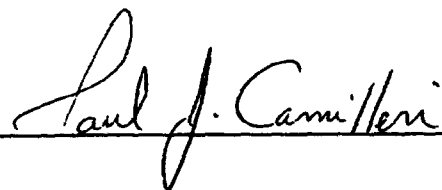
 Paul J. Camilleri, Esq.	Industry
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_____ James J. Noone	Industry
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_____	Industry
James A. Tricarico, Esq.	
Chairperson	

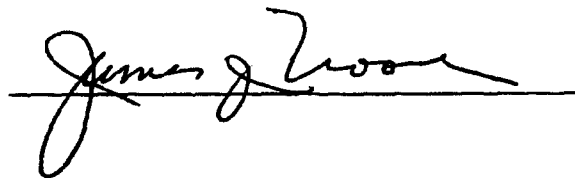
_____	Industry
Paul J. Camilleri, Esq.	

	Industry
James J. Noone	

Date of Decision: April 19, 1996

AFFIRMATION

I, JAMES J. NOONE do hereby affirm pursuant to Article 7505 of the Civil Procedure Law and Rules, that this is my decision in the above captioned matter.



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Chairperson

Industry

Paul J. Camilleri, Esq.

Industry

James J. Noone

Industry

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