

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

Cara Marks

v.

Arbitration No.
95-00217

Name of Respondents

D.H. Blair & Company, Inc., Lew Lieberbaum & Co., Inc.
Michael Katz, Mark Ira Lew, Sheldon J. Lieberbaum,
Leonard A. Nuehaus, and Anthony Jude Alagna

REPRESENTATION

For Claimant:

Phillip Aidikoff, Esq.
Aidikoff & Uhl
Beverly Hills, California

For Respondents Lew Lieberbaum & Co., Inc.,
Michael Katz, Mark I. Lew,
Sheldon J. Lieberbaum,
Leonard Neuhaus, and Michael Katz:

Chase A. Caro, Esq.
Caro & Graifman, P.C.
New York, New York

CASE INFORMATION

Statement of Claim filed:	January 12, 1995
Claimant's First Amended Statement of Claim filed:	July 29, 1997
Claimant's Submission Agreement signed:	January 26, 1995
Statement of Answer filed by Respondent D.H. Blair & Company, Inc.:	March 29, 1995

Amended Statement of Answer filed by Respondent D.H. Blair & Company, Inc.:	January 20, 1997
Statement of Answer filed by Respondent Lew Lieberbaum & Co., Inc.:	April 7, 1995
Amended Statement of Answer filed by Respondent Lew Lieberbaum & Co., Inc., Mark I. Lew, Sheldon J. Lieberbaum, and Leonard A. Neuhaus:	April 7, 1995
Respondent Lew Lieberbaum & Co., Inc.'s Submission Agreement signed:	April 5, 1995
Statement of Answer filed by Respondent Michael Katz:	March 20, 1995
Amended Statement of Answer filed by Respondent Michael Katz:	October 10, 1997
Respondent Michael Katz's Submission Agreement signed:	March 7, 1995
Cross-Claimant Lew Lieberbaum & Co., Inc.'s Cross-Claim Against Michael Katz filed:	September 12, 1995
Statement of Answer to Lew Lieberbaum & Co., Inc.'s Cross-Claim filed by Cross-Respondent Michael Katz:	October 9, 1995
Cross-Claimant D.H. Blair & Co., Inc.'s Cross-Claim Against Michael Katz filed:	March 14, 1996
Statement of Answer D.H. Blair & Co., Inc.'s Cross-Claim filed by Cross-Respondent Michael Katz:	April 17, 1996

HEARING INFORMATION

Pre Hearing Conference Dates / Sessions: December 19, 1996 (1 Session)
 April 16, 1997 (1 Session)
 July 1, 1997 (1 Session)
 December 18, 1997 (1 Session)

Hearing Dates / Sessions: March 2, 1998 (2 Sessions)
 March 3, 1998 (2 Sessions)
 March 4, 1998 (2 Sessions)
 March 5, 1998 (2 Sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that Respondents made excessive trades on Claimant's account, recommended unsuitable securities, breached their fiduciary duty owed to Claimant, committed fraud, and that the Respondent firms failed to supervise and control their employees

Respondent D.H. Blair & Company, Inc. denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

Respondents Lew Lieberbaum & Co., Inc., Mark I. Lew, Sheldon J. Lieberbaum, and Leonard A. Neuhaus denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

Respondent Michael Katz denied the allegations of wrongdoing set forth in the Claimant's Statement of Claim.

Cross-Claimant Lew Lieberbaum & Co., Inc. alleged that Cross-Respondent Michael Katz was liable for any wrongdoing.

Cross-Respondent Michael Katz denied the allegations of wrongdoing set forth in the Cross-Claimant Lew Lieberbaum & Co., Inc.'s Cross-Claim.

Cross-Claimant D.H. Blair & Company, Inc. alleged that Cross-Respondent Michael Katz was liable for any wrongdoing.

Cross-Respondent Michael Katz denied the allegations of wrongdoing set forth in the Cross-Claimant D.H. Blair & Company, Inc.'s Cross-Claim.

RELIEF REQUESTED

Claimant requested \$120,295.00 in compensatory damages, plus interest, costs, attorney's fees, and punitive damages.

Respondent D.H. Blair & Company, Inc. requested the dismissal of all claims set forth in the Claimant's Statement of Claim and Amended Statement of Claim, attorney's fees, costs, and expenses.

Respondents Lew Lieberbaum & Co., Inc., Mark I. Lew, Sheldon J. Lieberbaum, and Leonard A. Neuhaus requested the dismissal of all claims set forth in the Claimant's Statement of Claim and Amended Statement of Claim, attorney's fees, and costs.

Respondent Michael Katz requested the dismissal of all claims set forth in the Claimant's Statement of Claim and Amended Statement of Claim, attorney's fees, costs, and expenses.

Cross-Claimant Lew Lieberbaum & Co., Inc. sought indemnity and contribution from Cross-Respondent Michael Katz.

Cross-Respondent Michael Katz requested the dismissal of all claims set forth in the Cross-Claimant Lew Lieberbaum & Co., Inc.'s Statement of Claim.

Cross-Claimant D.H. Blair & Company, Inc. sought indemnity and contribution from Cross-Respondent Michael Katz.

Cross-Respondent Michael Katz requested the dismissal of all claims set forth in the Cross-Claimant D.H. Blair & Company, Inc.'s Statement of Claim

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed either 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 Regulation, Inc., Office of Dispute Resolution.

On July 24, 1996 Claimant Cara Marks settled with Respondent D.H. Blair.

On September 9, 1997 Claimant Cara Marks dismissed Respondent Joseph Alagna from this action without prejudice.

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) Respondents Lew Lieberbaum & Co., Inc., and Michael Katz are jointly and severally liable to and shall pay Claimant Cara Marks the sum of \$81,739.00 in compensatory damages.
- 2) Respondents Lew Lieberbaum & Co., Inc., and Michael Katz are jointly and severally liable to and shall pay Claimant Cara Marks the sum of \$20,000.00 in consequential damages.
- 3) Respondents Lew Lieberbaum & Co., Inc., and Michael Katz are jointly and severally liable to and shall pay Claimant Cara Marks the sum of \$33,919.00 in attorney's fees pursuant to Section 1717 of the California Civil Code.
- 4) Respondents Lew Lieberbaum & Co., Inc., and Michael Katz are jointly and severally liable to and shall pay Claimant Cara Marks the sum of \$1,250.00 for the costs associated with filing this claim.
- 5) Claimant's request for punitive damages is denied.
- 6) All other claims and cross-claims are denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

One Single Panelist Pre-Hearing Conference Session @ \$300.00/Session	= \$300.00
Three Full Panel Pre-Hearing Conference Session @ \$750.00/Session	= \$2,250.00
<u>Eight Hearing Sessions @ \$750.00/Session</u>	<u>= \$6,000.00</u>
Total Fees Assessed	= \$8,550.00

Total Fees Assessed Against Claimant	= \$4,275.00
<u>Credit for Claimant's Hearing Session Deposit</u>	<u>= (\$750.00)</u>
Claimant's Balance Due:	= \$3,525.00

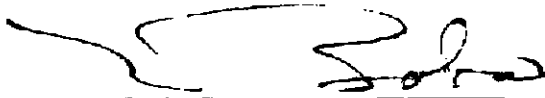
Total Fees Jointly and Severally Assessed Against Respondents	
Lew Lieberbaum & Co., Inc., and Michael Katz:	= \$4,275.00
Credit for Cross-Claimant Lew Lieberbaum & Co., Inc.'s	
<u>Hearing Session Deposit</u>	<u>= (\$750.00)</u>
Respondents' Joint and Several Balance Due	= \$3,525.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Merton A. Bobo, Esq.	Public Arbitrator
Gerald C. Tambe	Industry Arbitrator
Charles L. Repp, Jr.	Public Arbitrator

Concurring Arbitrators' Signatures



Merton A. Bobo, Esq.

Gerald C. Tambe

Charles L. Repp, Jr.

Date of Service: _____

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<u>Name</u>	<u>Public / Industry</u>
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Gerald C. Tambe	Industry Arbitrator
Charles L. Repp, Jr.	Public Arbitrator

Concurring Arbitrators' Signatures

Merton A. Bobo, Esq.



Gerald C. Tambe

Charles L. Repp, Jr.

Date of Service: _____


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Concurring Arbitrators' Signatures

Merton A. Bobo, Esq.

Gerald C. Tambe


Charles L. Repp, Jr.

Date of Service: APRIL 28, 1978