

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Michael J. Feeney c/o Atlantic Business Group, Inc.

95-00972

Name of Respondents

Gruntal & Co., Inc.
James B. Liberman

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 23, 1995, Claimant Michael J. Feeney ("Feeney"), who appeared Pro Se, alleged that on December 6, 1993 Respondent James B. Liberman ("Liberman"), a broker employed with Respondent Gruntal & Co., Inc. ("Gruntal"), solicited the purchase by Claimant of 500 shares of Drexler Technology Corp. ("Drexler"). Claimant further alleged that on the following day, Liberman solicited the purchase by Claimant of an additional 500 shares of Drexler. Feeney contended that Liberman convinced him to sell other holdings and purchase an additional 500 shares of Drexler through another broker. Feeney further contended that he made the above purchases based on insupportable statements that Liberman made concerning the future sales, net worth, and potential price appreciation of Drexler, and that Liberman never mentioned any downside risk. Claimant asserted that he referred an acquaintance, Anne Howe ("Howe"), to Liberman, and that Liberman recommended Drexler to her also. Claimant further asserted that both he and Howe wanted to sell their shares of Drexler, but Liberman advised them not to sell. As a result of the above, Claimant alleged that he has suffered damages for which Respondent should be held liable.

Respondents Gruntal & Co., Inc. and James B. Liberman, through in-house counsel Donald N. Cohen, Esq., New York, New York, maintained that Liberman did not make any factual statements to Claimant other than to repeat information contained in the Drexler press releases. Liberman denied making statements regarding the future price appreciation of Drexler, denied pressuring Claimant into making the purchases, and denied convincing Claimant to sell other holdings to buy Drexler shares. Furthermore, Liberman denied that he advised Claimant to purchase additional shares of Drexler through another broker, and asserted that he was not aware of Claimant's purchase. As a result of the above, Respondents contended that they should not be held liable in this matter.

RELIEF REQUESTED

Claimant Michael J. Feeney, requested \$3,408.76 in actual damages.

Respondents Gruntal & Co., Inc. and James B. Liberman requested that the Statement of Claim be dismissed with prejudice.

AWARD


Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public Arbitrator, Simon J. Tager, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 17, 1995, by Respondent Gruntal & Co., Inc. on April 5, 1995, and by Respondent James B. Liberman on April 6, 1995.

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 Statement of Claim filed by Claimant Michael J. Feeney, is denied and dismissed in its entirety.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. ("NASD") by the Claimant shall be retained by the NASD, Inc. Respondents Gruntal & Co., Inc. and James B. Liberman are liable for and shall pay to Claimant Michael J. Feeney \$62.50 as reimbursement of one-half of the filing fee.

AFFIRMATION

I, **SIMON J. TAGER**, 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.


Signature of Arbitrator

DATE OF DECISION: June 13, 1975