

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Names of Claimants

Renee Liber and Inversiones Y Representaciones
Aradia S R.L.

95-01434

Names of Respondents

Josephthal Lyon & Ross Inc.
Arthur E. Lieberman

REPRESENTATION

For Claimants, Renee Liber ("Liber") and Inversiones Y Representaciones Aradia S. R. L. ("Inversiones"): Russell L. Forkey, Esq., Fort Lauderdale, FL.

For Respondents, Josephthal Lyon & Ross, Inc. ("Josephthal") and Arthur E. Lieberman ("Lieberman"): Robert E. Murphy, Esq. of Josephthal Lyon & Ross, Inc., New York, New York.

CASE INFORMATION

Statement of Claim filed on 3/20/1995.

Claimant, Liber's, Submission Agreement signed on 3/17/1995.

Claimant, Inversiones', Submission Agreement signed on 3/17/1995 by Orlando Bueno on behalf of his firm.

A joint Statement of Answer filed by Respondents, Lieberman and Josephthal, on 7/17/1995.

Respondent, Lieberman's, Submission Agreement signed on 5/26/1995.

Respondent, Josephthal's, Submission Agreement signed on 5/30/1995, by Michael Loew on behalf of his firm.

HEARING INFORMATION

On June 13, 1996, a Pre-Hearing conference, lasting one (1) session was conducted via telephone conference call with the Chairman.

Hearing Dates/Sessions: 6-26-1996/two (2) sessions.
 6-27-1996/two (2) sessions.
 6-28-1996/two (2) sessions.

Hearing Location: Fort Lauderdale, Florida.

CASE SUMMARY

Claimants alleged that Respondents solicited various low price securities, on margin, in stocks which the corporate Respondent either brought public or made a market in, or both. More specifically, Claimants alleged: Fraud and Deceit; Breach of Fiduciary Duties; Negligence; Breach of Contract; and, as it is related to the corporate Respondents, Negligent Supervision.

Respondents denied any allegation of wrongdoing. They alleged that the recommended securities were in accordance with Liber's investment objectives as discussed and agreed between Liber and Lieberman.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$182,345.00, punitive damages in the amount of \$75,000.00, interest, costs, attorney's fees and such other relief as the panel deems appropriate. Furthermore, Claimants requested damages from additional losses suffered as a result of their purchase of MTC Electronics.

Respondents requested that the arbitrators dismiss all of Claimants' claims in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

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 have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Josephthal and Lieberman, are found liable, jointly and severally, and shall pay to the Claimants the amount of \$107,777.00, plus interest at the legal rate of 8% per annum from 2/24/1995 to 6/28/1996 in the amount of \$11,467.00 for a total due to the Claimants of \$119,244.00.

2. Claimants' requests for costs and attorneys' fees are hereby denied.
3. All other claims are hereby denied.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed Forum Fees in the amount of \$4,800.00 (one (1) pre-hearing telephone conference session x \$300.00 plus six (6) regular hearing sessions x \$750.00).

1. Respondent, Josephthal, is hereby assessed Forum fees in the amount of \$4,800.00, \$750.00 of which shall be paid directly to the Claimants, and \$4,050.00 of which shall be paid to the National Association of Securities Dealers, Inc.
2. The NASD shall retain the non-refundable filing fee of \$200.00 paid by the Claimants.
3. The NASD shall retain the non-refundable member-surcharge of \$350.00 paid by Josephthal.

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

ARBITRATION PANEL

Concurring Arbitrators' Signatures

/s/

Joseph L. Bernstein, Esq.

/s/

James W. Geiger, Esq.

/s/

Lucie L. Sabella

Date of Decision: August 19, 1996