

OFFICE OF DISPUTE RESOLUTION

In the Matter of the Arbitration Between

Name of Claimant

Natalie Herman

95-02712

Name of Respondents

Gibraltar Securities Co.
Andrew Brietbart

REPRESENTATION

For Claimant Natalie Herman ("Claimant") appeared Morgan W. Bentley, Esq. in private practice, located in Newark, New Jersey.

For Respondents Gibraltar Securities Co. ("Gibralter") and Andrew Brietbart ("Breitbart")(collectively "Respondents") appeared Matthew Farley, Esq. of Shanley and Fisher, located in New York City.

CASE INFORMATION

The Statement of Claim was filed on June 02, 1995. The Claimant's Submission Agreement was signed on May 26, 1995.

A joint Statement of Answer was filed by Respondents, Gibraltar Securities Co. and Andrew Brietbart, on October 13, 1995.

Respondent Gibraltar Securities Co.'s Submission Agreement was signed on October 09, 1995.

Respondent Andrew Brietbart's Submission Agreement was signed on October 09, 1995.

HEARING INFORMATION

| | | |
|-------------------------|------------------|--------------|
| Pre-Hearing Conference: | October 01, 1996 | One Session |
| Hearing Date/Sessions: | March 26, 1997 | Two Sessions |
| | July 08, 1997 | Two Sessions |

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York.

CASE SUMMARY

Claimant alleged that she instructed Respondents that her personal and IRA accounts were to be invested in fixed income instruments with maturities not longer than five years. Claimant further alleged that she advised them that she sought safety of principal and income with her investments because she was a widow. Claimant alleged that she informed Respondents of her involvement in an automobile accident which left her with short term memory problems and mental incompetence with figures and financial information, therefore, she informed respondents that she would rely completely on Respondent Brietbart's expertise to choose suitable investments for her accounts. Claimant alleged that respondents took complete control of her accounts and effected transactions without her consent or approval, and without discussing the suitability of the investments with her. Claimant alleged that upon complaining to Respondent Gibraltar Respondent Brietbart liquidated a substantial portion of the unauthorized investments causing the Claimant to suffer substantial losses. Claimant alleges that these losses were due to Gibraltar's lack of supervision of Brietbart in the handling of her accounts.

Respondent Gibraltar maintained that all transactions for claimant's accounts were discussed with her and received authorization from claimant. Respondents further contended that all transactions for claimant's accounts were for a long term perspective and for higher income and that, with one exception, no sales were ever recommended by respondents. Respondents contended that claimant's account prospered substantially in 1992 and 1993 and further denied that there were ever explicit directions or conditions from claimant that maturities not extend beyond five years.

Respondents further maintained that all fixed income instruments suffered declines in prices in 1994 and contended that claimant would not accept the market declines in her fixed income portfolio. Respondents contended that, in 1995 and 1996, after claimant moved her account to another firm, claimant's accounts revealed a portfolio almost unchanged from the securities recommended by respondents. Respondents alleged that claimant's portfolio ultimately regained all of the temporary diminution it had suffered in 1994.

RELIEF REQUESTED

Claimant requested an award in excess of \$40,000.00, interest on that amount, attorney fees and punitive damages as the panel deems just and fair.

Respondent Gibraltar Securities and Respondent Brietbart requested that the Statement of Claim be dismissed in its entirety and no award in any sum be rendered against them.

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 original(s) remain on file with NASD Regulation, Inc.

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. Claimant's relief requests are hereby denied in their entirety.
2. Claimant's request for punitive damages is hereby denied.

3. Each party shall bear their respective costs, including attorney's fees.
4. All other claims are hereby denied.

FORUM FEES

Pursuant to Rule 10332 of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. will retain the \$120.00 non-refundable filing fee submitted by the Claimant and have assessed the following Forum Fees:

| | | |
|----------------------------------|---|------------|
| 1 Pre-hearing session x \$300.00 | = | \$ 300.00 |
| 4 Hearing Sessions x \$400.00 | = | \$1,600.00 |
| Total Forum Fees | = | \$1,900.00 |

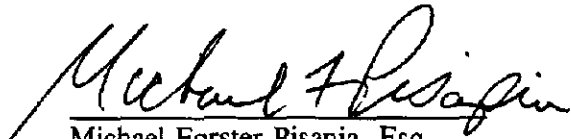
Claimant be and hereby is liable and shall pay the sum of \$950.00 representing one half of the total forum fees assessed. Claimant has previously deposited the sum of \$400.00 and therefore owes NASD Regulation, Inc. the sum of \$550.00.

Respondents Gibraltar Securities Co. and Brietbart be and hereby are jointly and severally liable and shall pay the sum of \$950.00 representing one half of the total forum fees assessed. Respondent owes NASD Regulation, Inc. the sum of \$950.00.

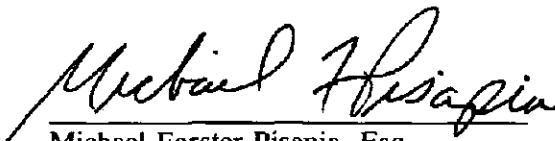
Respondent Gibraltar be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$200.00 for the Member Surcharge. Respondent Gibraltar has previously deposited \$200.00 with NASD Regulation, Inc. and therefore owes nothing towards the Member Surcharge.

Fees are payable to NASD Regulation, Inc.

ARBITRATOR'S SIGNATURES


Michael Forster Pisapia, Esq.

I, Michael Forster Pisapia, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

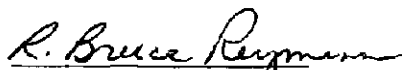

Michael Forster Pisapia, Esq.

Date of Decision: August 6, 1997

ARBITRATOR'S SIGNATURES

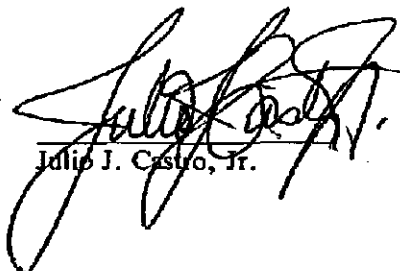
R. Bruce Reymann,

I, R. Bruce Reymann, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.


R. Bruce Reymann

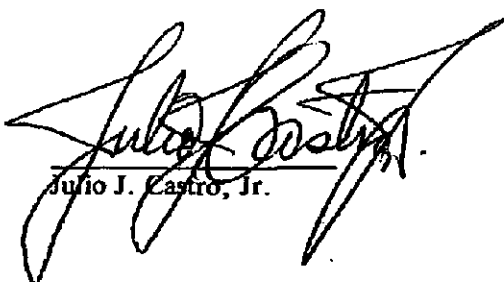
Date of Decision: August 6, 1997

ARBITRATOR'S SIGNATURES



Julio J. Castro, Jr.

I, Julio J. Castro, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein, and who executed this instrument which is my award.



Julio J. Castro, Jr.

Date of Decision: August 6, 1997