

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

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**In the Matter of the Arbitration Between**

**Name of Claimant**

Mary Ann Logan

95-04582

**Name of Respondent**

Chase Manhattan Investment Services, Inc.

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**REPRESENTATION**

For Claimant: Scott C. Ilgenfritz, Esq. of Johnson, Blakely, Pope, Bokor, Ruppel & Burns, P.A., Tampa, FL.

For Respondent: Jacob Zamansky, Esq. of Singer Zamansky LLP, New York, NY.

**CASE INFORMATION**

Statement of Claim filed: September 28, 1995

Claimant's Submission Agreement signed on: September 14, 1995.

Statement of Answer and Counterclaim filed by Respondent on: December 14, 1995. Respondent did not file a Submission Agreement as required by Rules 10301 and 10314 (formerly Sections 12 and 25) of the Code of Arbitration Procedure ("Code").

Claimant's Reply to Respondent's Counterclaim received December 21, 1996.

**HEARING INFORMATION**

On July 11, 1996 a telephonic pre-hearing conference lasting one session was conducted with an arbitrator chairperson.

On October 22, 23, 24, and 25, 1996 and November 21, 1996, in Tampa, FL, hearings lasting 11 sessions were conducted.

## **CASE SUMMARY**

Claimant alleged that she was fraudulently induced into accepting a position as a broker with Respondent by negligent misrepresentations made by Respondent during their recruitment of Claimant. Claimant contended that Respondent misrepresented the compensation structure as well as the volume of leads and referrals that would be available to Respondent's brokers. Claimant further alleged that while employed with Respondent she was the subject of discriminatory treatment and sexual harassment.

Respondent denied the allegations of fraud in the inducement, negligent misrepresentation, sexual harassment and discrimination. Respondent alleged the following: that they did not make any special offers, inducements, or misrepresentations to Claimant during the recruitment process; that during Claimant's tenure she received a substantial number of qualified business referrals and leads; that Claimant was treated equitably and on the same basis as male employees with respect to Respondent's policies, leads and compensation; that claimant received constant feedback regarding her production performance, including advice and assistance towards attaining performance goals; and that despite the feedback and numerous oral and written warnings, Claimant's revenue production consistently fell below her agreed-upon goal.

Respondent alleged the following affirmative defenses: failure to state a claim; good faith; statute of limitations; contribution; laches; estoppel; waiver; failure to mitigate; unclean hands; and Respondent made employment decisions based on factors other than sex.

Respondent filed a counterclaim and alleged that the Statement of Claim was brought solely to harass the Respondent and to attempt to extract a settlement payment on a non-meritorious claim. Respondent further asserted in their counterclaim that the Statement of Claim was intended to harass and defame Claimant's former branch manager.

Claimant denied all of the allegations set forth in the counterclaim and further asserted that Respondent's counterclaim fails to state a cause of action or a claim for relief against Claimant.

## **RELIEF REQUESTED**

Claimant requested an entry of an award against Respondent for compensatory damages and back pay including interest, punitive damages for the willful and malicious misconduct of Respondent, costs of this proceeding, reasonable attorney's fees, and such other relief as the arbitration panel deemed just and proper. Claimant further requested that an award be entered in her favor and against the Respondent on the Respondent's counterclaim, denying the Respondent any relief and awarding the Claimant her costs associated with defending the Respondent's counterclaim, and such other and further relief as the panel deems just and proper.

Respondent requested dismissal of this arbitration with prejudice, plus costs, expenses, attorneys' fees and such other relief as the Panel deems just and proper. Respondent in their counterclaim requested reimbursement of legal fees, costs, travel expenses and expenditure of Respondent's executives' time incurred in defending this proceeding and an award of compensatory and

punitive damages against the Claimant.

### **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 the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent, Chase Manhattan Investment Services, Inc., is found liable and shall pay to the Claimant the sum of \$150,000.00.
- 2) Claimant's requests for pre-judgement interest, punitive damages, costs and reasonable attorney's fees are hereby denied.
- 3) The Respondent's counterclaim is denied, and therefore, all claims against Claimant are dismissed.
- 4) The Respondent's requests for punitive damages and costs associated with defending the counterclaim are denied.
- 5) Respondent shall reimburse the Claimant \$500.00 for the non-refundable filing fee and \$750.00 for the hearing session deposit, for a total payable to the Claimant of \$1,250.00.
- 6) The Panel specifically did not find entitlement under the claim alleging sexual discrimination, the Panel did find for the Claimant pursuant to the claim of negligent misrepresentation.

### **FORUM FEES**

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$8,550.00 ( one pre-hearing conference x \$300.00 plus 11 hearing sessions x \$750.00).

Respondent is hereby assessed the sum of \$8,550.00, for which the NASD shall retain the \$750.00 previously deposited by Claimant in partial satisfaction thereof, leaving a balance due to the NASD of \$7,800.00.

Respondent is still owing and shall pay the NASD the \$500.00 non-refundable filing fee for their counterclaim.

The NASD shall retain the non-refundable filing fee of \$500.00 paid by the Claimant.

The NASD shall retain the Rule 10333 Member Surcharge of \$350.00 paid by Respondent.

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

Concurring Arbitrators' Signatures  
Name

Public/Industry

/s/

Public

\_\_\_\_\_  
Patrick A. Davis, Esq.

/s/

Industry

\_\_\_\_\_  
Robert P. Schwartz

/s/

Public

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Nicholas J. Taldone, Esq.

Date of Decision: January 24, 1997