

NASD REGULATION, INC. AWARD

Office of Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Timothy Clancy

Case No. 95-06010.

Names of Respondents

D. Blech & Co., Inc.
David Blech

REPRESENTATION OF PARTIES

Claimant appeared pro se.

For Respondents D. Blech & Co., Inc. ("DBCI") and David Blech ("Blech"): David Blech.

CASE INFORMATION

Statement of Claim filed: December 20, 1995. Claimant's Submission Agreement signed: August 15, 1995.

Joint Statement of Answer filed by Respondents: April 23, 1996. Respondents did not execute Submission Agreements.

HEARING INFORMATION

The evidentiary hearing was conducted on May 4, 1998, in Fort Lauderdale, Florida lasting one session.

CASE SUMMARY

Claimant alleged the following: Respondents conducted an aggressive recruiting campaign to expand operations and bring in leading brokers. Respondents made misrepresentations of material facts and omitted to state material facts to induce the brokers to accept employment, including the promise of guaranteed compensation. Claimant has asserted claims against the Respondents for fraud, breach of contract, constructive termination, and outrageous abuses of the public securities markets.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically asserted that Respondent Blech is not personally liable under the contractual obligations as alleged in the Statement of Claim.

RELIEF REQUESTED

Claimant requested an award of compensatory damages in the amount of \$315,050.00, pre-award interest, attorney's fees, and punitive damages in the amount of \$945,000.00.

Respondents requested a dismissal of all claims, costs, and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

1. On October 16, 1996, NASD Regulation, Inc. received, via facsimile from DBCI, copies of a Summons to Debtor in Involuntary Case in a proceeding under Chapter 7 of the Bankruptcy Code in which David Blech was the named debtor. The Panel did not receive further information with respect to David Blech's bankruptcy status. As a result, the Panel made no findings with respect to Mr. Blech.
2. Neither Claimant nor Respondent DBCI attended the hearing of this matter on May 4, 1998. Upon review of the file, the undersigned arbitrators determined that Claimant and Respondent DBCI received due notice of the hearing, as required under Rule 10315 of the of the NASD Code of Arbitration Procedure ("Code"), and that arbitration of the matter would proceed pursuant to Rule 10318 of the Code.

3. Respondent DBCI did not file with NASD Regulation, Inc. a properly executed submission to arbitration but was required to submit to arbitration pursuant to Rule 10301 of the Code. Having answered the claim and having received due notice of the hearing, DBCI is bound by the determination of the arbitration panel on all issues submitted.

AWARD

After considering the pleadings and the failure of the Claimant to appear at the hearing of this matter, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

All claims in this matter are hereby dismissed.

FORUM FEES

Pursuant to Rule 10205(b) of the Code, a hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with an arbitrator, which lasts four hours or less.

Pursuant to Rule 10205(c) of the Code, the panel has assessed forum fees in the amount of \$1,000.00 (one hearing session: \$1,000.00 per session).

Claimant is assessed the sum of \$1,000.00 for which NASD Regulation, Inc. shall retain the \$1,000.00 previously deposited in full satisfaction thereof.

OTHER FEES

1. Pursuant to Rule 10332 of the Code, Claimant has paid to NASD Regulation, Inc. the \$500.00 claim filing fee.

2. Due to the termination of DBCI's membership on June 29, 1995, the \$500.00 member surcharge which was previously invoiced pursuant to Rule 10333 of the Code, has been waived by NASD Regulation, Inc.