

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION

In the Matter of the Arbitration Between

Name of Claimants

Antoinette C. Liguori & Robert Liguori

9640353

Name of Respondents

M. Rimson & Co. Inc.
Al Shindman
Larry Stryker
Paul Gorr

REPRESENTATION

Claimants Antoinette C. and Robert Liguori ("Claimants") appeared at the hearing *pro se*.

Respondent Paul Gorr ("Gorr") appeared at the hearing *pro se*.

Respondents M. Rimson & Co., Inc. ("Rimson"), Al Shindman ("Shindman"), and Larry Stryker ("Stryker") did not appear at the hearing.

CASE INFORMATION

The Statement of Claim was filed January 22, 1996.

Claimants' Uniform Submission Agreement was signed February 9, 1996.

Gorr's Statement of Answer was filed April 15, 1996.

Gorr's Uniform Submission Agreement was signed April 15, 1996.

Respondents Rimson, Shindman and Stryker did not file Answers or executed agreements to arbitrate.

HEARING INFORMATION

Hearing Date/Sessions: November 18, 1996/one session

Hearing Location: NASD Regulation District Office
Boston, MA

961213

CASE SUMMARY

Claimants alleged, among other things, that Respondents induced Claimants to authorize the purchase of Twilight Productions Ltd ("TWIP") in March 1995 by fraudulently misrepresenting the value of TWIP. In addition, Claimants alleged that Respondents failed to execute a stop loss order as instructed by Claimants. Claimants alleged that on March 30, 1995, based on the persistent misrepresentations on the telephone of Stryker, Claimants finally authorized the purchase of 1,000 shares of TWIP at \$8.00 per share. Claimants alleged that Respondents were negligent in the opening and management of Claimants' account and failed to determine if the security was suitable for Claimants. Claimants alleged that to further induce Claimants to authorize the purchase, Stryker stated a stop loss order at \$8.00 per share would be placed on the securities. Claimants alleged that in May 1995, during several telephone calls to determine how TWIP was performing, Stryker informed Claimants that the management of Rimson owned seventy-three percent (73 %) of TWIP and that it was currently selling at a dollar over the purchase price and pressured Claimants to purchase additional TWIP, which Claimants refused to do. Claimants alleged that on June 21, 1995, Shindman called to inform Claimants that he was now handling Claimants' account and since TWIP was selling at \$10 3/4 Claimants should immediately purchase additional shares. Claimants alleged that during the telephone call, Shindman used such high pressure tactics that Claimants directed Shindman to immediately sell the entire position in TWIP. Claimants alleged that Shindman failed to sell their position as directed in June and calls to Rimson were not returned. Claimants further alleged that when they checked with another broker in August 1995 to determine the status of TWIP, the other broker informed Claimants that the price of TWIP was 2 1/8 bid and 2 1/2 offered. Claimants alleged that they were informed that on August 4, 1995 TWIP opened at \$10 and closed at \$4. Claimants alleged that in late August they received a call from Gorr who offered to handle their account and reassured them that there was no record of a stop loss order but that Gorr was confident TWIP would go back up to \$10. Claimants alleged that M. Rimson & Co. manipulated this security which resulted in the loss of their investment.

Respondent Gorr denied all allegations of wrong doing as asserted against him in the Statement of Claim. Gorr maintained that he had a single telephone conversation with Claimants on August 22, 1995 at which time Gorr, according to Claimants, provided Claimants with information as to TWIP. Gorr maintained that at no time did he fraudulently misrepresent the value of TWIP to Claimants nor did Gorr induce Claimants to authorize the purchase of TWIP. Gorr maintained that he did not conceal the decline in value of TWIP from Claimants or fail to execute a stop loss order. Gorr maintained that he informed Claimants that there was no record of a stop loss order on Claimants' account. Gorr maintained that during a two week time period in August, having just passed his Series 7 and 63 license exams, Gorr was employed merely as a telephone messenger at Rimson. Gorr maintained that Claimants have failed to state facts sufficient to constitute a cause of action as against Gorr.

Respondents Rimson, Shindman and Stryker did not respond to the Statement of Claim.

RELIEF REQUESTED

Claimants requested relief in the amount of \$10,000.00 plus pre-award interest; and the costs of this arbitration including attorney's fees.

Gorr requests that any and all claims set forth against him be dismissed in all respects and that he be allowed to have all reference to this arbitration expunged from his registration with the NASD.

Respondents Rimson, Shindman and Stryker did not request relief.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains on file with the NASD.

After a review of the file the arbitrator determined that the NASD Regulation made appropriate efforts to serve Respondents Rimson, Shindman and Stryker with the Statement of Claim pursuant to Rule 103 14 of the NASD Code of Arbitration Procedure ("Code") as well as to provide notice of the hearing as required under Rule 103 15 of the Code, and thus, the matter would proceed pursuant to Rule 103 18 of the Code.

Respondents Rimson, Shindman and Stryker did not file properly executed submissions to arbitration but are required to submit to arbitration pursuant to Rule 10301 of the Code, and are-thus bound by the ruling of the arbitrator.

AWARD

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

1. That Respondents Rimson, Shindman and Stryker are jointly and severally liable to and shall pay to Claimants, \$10,000.00.

2. That all claims are dismissed as to Respondent Gorr.

3. That Respondent Gorr may have all reference to this arbitration expunged from his registration with the Central Registration Depository.

4. That each party shall bear its own costs and expenses with the exception of the Forum Fees as discussed below.

5. That any and all relief not specifically addressed herein is denied.

FORUM FEES

Pursuant to Rule 10332(c) (formerly Section 43) of the Code, the following Forum Fees are assessed:

1 session x \$200.00 = \$200.00

Forum Fees are assessed against Respondents Rimson, Shindman and Stryker. Therefore, Respondents Rimson, Shindman and Stryker are jointly and severally liable to and shall reimburse Claimants for the \$200.00 hearing session deposit previously submitted to the NASD Regulation.

DATE

ARBITRATOR'S SIGNATURE

12-9-96

Susan L. Donegan
Susan L. Donegan, Chairperson
Public Arbitrator

Date Decision Served by NASD Regulation:

December 11, 1996