

AWARD

**NASD REGULATION, INC.,
OFFICE OF DISPUTE RESOLUTION**

In the matter of the Arbitration Between

Name of Claimants

Richard Vasquez and
Josephine Ruppert

v.

NASD Regulation, Inc.
Arbitration No. 96-02113

Name of Respondents

W.J. Gallagher & Company, Inc.
Harry Gliksman, and
Nils Angert

REPRESENTATION

For Claimants:

Jonathan W. Evans, Esq.
Law Offices of Jonathan W. Evans
Los Angeles, California

For Respondents

W.J. Gallagher & Company, Inc.:

William J. Gallagher
Pasadena, California

Harry Gliksman:

James B. Leary, Esq.
Altadena, California

For Respondent Nils Angert:

In Pro Per

CASE INFORMATION

Joint Statement of Claim filed:

May 10, 1996

Claimant Richard Vasquez's

Submission Agreement signed: May 10, 1996

Claimant Josephine L. Ruppert's
Submission Agreement signed: May 10, 1996

Statement of Answer filed by Respondents
W.J. Gallagher & Company and Harry Gliksman: July 23, 1996

Statement of Answer filed by Respondent
Nils Angert: June 28, 1996

Respondent Harry Gliksman's
Submission Agreement Signed: July 24, 1996

Respondent Nils Angert's
Submission Agreement Signed: June 28, 1996

HEARING INFORMATION

Full Panel Pre-Hearing Conference Date / Session: November 13, 1996 (1 Session)
One Panel Member Pre-Hearing Conference Date / Session: April 9, 1997 (1 Session)
One Panel Member Pre-Hearing Conference Date / Session: April 11, 1997 (1 Session)

Hearing Dates / Sessions: April 21, 1997 (2 Sessions)
April 25, 1997 (1 Sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondents recommended unsuitable investments, were negligent in making the recommendations and misrepresented material facts regarding the securities Respondents sold to Claimants. Further, Claimants alleged that Respondents made unauthorized trades and churned claimants' account. Claimants also alleged that Respondents breached their fiduciary duty owed to the Claimants, failed to supervise their brokers' activities, and violated other Federal securities laws. Claimants contended that as a result of Respondent's actions their account at the Respondents' brokerage lost all of its value

Respondents W.J. Gallagher & Company, Inc. and Harry Gliksman denied each and every allegation of wrongdoing set forth in the Claimants' Statement of Claim.

Respondent Nils Angert denied each and every allegation of wrongdoing set forth in the Claimants' Statement of Claim.

RELIEF REQUESTED

Claimants requested \$25,014.71 in compensatory damages, disgorgement of the commissions paid to Respondents, and 10% interest. Claimants further requested a rate of return on the principle sum of \$25,014.71 had the account been managed prudently. Claimants also requested punitive damages, costs, fees, and expenses.

Respondents W.J. Gallagher and Harry Gliksman requested that Claimants' claim be denied in its entirety. Respondents also requested fees and costs.

Respondent Nils Angert requested that the Claimants' claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND DECIDED

Respondent Angert was dismissed with prejudice by Claimants during the hearing on the merits.

The parties have agreed that the Award in this matter may be executed in either 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 remains on file with the NASD Regulation, Inc. Office of Dispute Resolution.

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. Respondents W.J. Gallagher and Harry Gliksman are jointly and severally liable to and shall pay Claimants the sum of \$25,000.00 in compensatory damages.
2. Respondents W.J. Gallagher and Harry Gliksman are jointly and severally liable to and shall pay Claimants the sum of \$5,000.00 in interest damages.
3. Respondents W.J. Gallagher and Harry Gliksman are jointly and severally liable to and shall pay Claimants the sum of \$25,000.00 in punitive damages pursuant to California Civil Code Section 3294.
4. Respondents W.J. Gallagher and Harry Gliksman are jointly and severally liable to and shall pay Claimants the sum of \$3,700.00 for reimbursement of costs.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed, jointly and severally, against Respondents W.J. Gallagher and Harry Gliksman:

| | | |
|---|---|------------|
| One (1) Full Panel Pre-Hearing Conference @ \$400.00/Session | = | \$400.00 |
| Two (2) One Panel Member Pre-Hearing Conference @ \$300.00/Session | = | \$600.00 |
| Three (3) Hearing Sessions @ \$400.00/Session | = | \$1,200.00 |
| <hr/> | | |
| Total Fees Assessed Against Respondents Gallagher & Gliksman (jointly and severally) | = | \$2,200.00 |


NASD Regulation, Inc. will refund Claimants' Hearing Session Deposit.

Fees are payable to NASD Regulation, Inc.

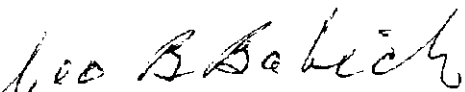
ARBITRATORS

| <u>Name</u> | <u>Public / Industry</u> |
|--------------------------|--------------------------|
| Chet Olsen, Esq. | Public Arbitrator |
| Leo B. Babich | Public Arbitrator |
| Harriett A. Kottick, CFP | Industry Arbitrator |

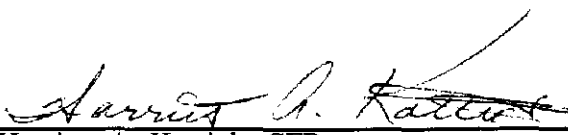
Concurring Arbitrators' Signatures



Chet Olsen, Esq.



Leo B. Babich



Harriett A. Kottick, CFP

Date of Decision: _____

Date of Service: _____