

NASD REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Name of Claimant

Lew Lieberbaum & Co., Inc.
Mark I. Lew

96-02578

Name of Respondent

Stuart Neal Kingoff

REPRESENTATION

For claimants Lew Lieberbaum & Co., Inc. ("Lew Lieberbaum") and Mark I. Lew ("Lew") appeared Lawrence P. Sandor, Esq., General Counsel of Lew Lieberbaum & Co., Inc.

For respondent Stuart Neal Kingoff ("Kingoff") appeared Herbert Jacobi, Esq., a sole practitioner located in New York, New York.

CASE INFORMATION

Statement of Claim was filed on June 14, 1996. Lew Lieberbaum's Submission Agreement was signed on June 14, 1996. Lew's Submission Agreement was signed on June 14, 1996.

Statement of Answer and Counterclaim was filed on October 15, 1996. Kingoff's Submission Agreement was signed on October 16, 1996.

Answer to Respondent's Counterclaims was filed on October 23, 1996.

HEARING INFORMATION

Hearing Sessions/Dates:	January 9, 1997	-	Two Sessions
	January 16, 1997	-	One Session

The hearing conducted on January 9, 1997 was held at the offices of the National Association of Securities Dealers located in New York, New York. The hearing conducted on January 16, 1997 was held at the Club Quarters Hotel located at 62 William Street, New York, New York.

CASE SUMMARY

Claimants alleged that, on or about August 22, 1994, respondent began employment with Lew Lieberbaum as an associate general counsel in its legal department. Claimant further alleged that, on or about May 5, 1995, respondent was moved to the compliance department where he acted as Director of Compliance. Claimants contended that it became clear that respondent could not function as Lew Lieberbaum's compliance officer and so respondent was allowed to work as a broker and, in order to supplement his commissions, Lew permitted him to work a few hours a day doing Blue Sky work for a small salary.

Claimants asserted that, during December, 1995 and January, 1996, Lew loaned respondent a total of \$9,600.00. Claimants also asserted that respondent owes Lew Lieberbaum \$937.74 from various broker expenses. Claimants alleged that, on May 13, 1996, respondent failed to show up for work and that it was later learned that he went to work for another firm. Claimants further alleged the numerous attempts were made to work out a payment schedule with respondent for the money he owed, but that respondent avoided collection efforts.

Respondent denied the allegations in the Statement of Claim. In his counterclaim, respondent alleged that, in August 1995, Lew agreed to pay him \$5,000.00 per month as a salary which was to continue for not less than five months. Respondent further alleged that \$2,000.00 of the salary was due to him. In addition, respondent asserted that, on June 3, 1996, Lew Lieberbaum's general counsel sent a letter to his employer setting forth claimant's contentions in this matter. Respondent maintained that the letter was an egregious attempt by Lew Lieberbaum to cause difficulty for him with his employer.

Claimants maintained that the counterclaims asserted by respondent were completely without merit and should be dismissed in their entirety.

RELIEF REQUESTED

Claimants requested an award of not less than \$10,537.74, along with filing fees, attorneys' fees and interest at the rate of 10%. Claimants further requested that the counterclaims be dismissed in their entirety.

Respondent requested an award of \$23,000.00 on the first counterclaim and punitive damages of \$500,000.00 on the second counterclaim together with such other remedies as are appropriate.

OTHER ISSUES CONSIDERED AND DECIDED

Claimants' motion to disqualify respondent's counsel was denied by the panel. Claimants' motion to preclude respondent's Answer was denied by the panel.

Respondent's motion to dismiss claimant Lew as party was denied by the panel. Respondent's motion to dismiss the Statement of Claim based upon the Statute of Frauds was denied by the panel.

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 be and hereby is liable and shall pay claimants the sum of \$10,537.74.
2. Claimants' request for interest is hereby denied.
3. Respondent's counterclaims be and hereby are dismissed in their entirety.
4. Each party shall bear their own costs, including attorneys' fees.
5. All other claims are denied.

FORUM FEES

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$500.00 non-refundable filing fee previously deposited by claimant and have assessed the following forum fees:

non-refundable filing fee for counterclaim	= \$ 500.00
3 hearing sessions x \$1,000.00	= \$3,000.00

1. Claimants be and hereby is liable for the sum of \$1,500.00, representing one-half of the fees assessed for the hearings conducted in this matter. Claimants previously deposited \$600.00 with the NASD and, therefore, claimants are liable and shall pay \$900.00 to the NASD.
2. Respondent be and hereby is liable and shall pay the sum of \$2,000.00 to the NASD, representing the filing fee for the counterclaim and one-half of the fees assessed for the hearings conducted in this matter.

Fees are payable to the NASD Regulation, Inc.

Arbitrators' Signatures



Linda R. Alpert, Esq.
Chairperson-Industry Arbitrator

Pauline Mistretta, Esq.
Industry Arbitrator

Alan Jaffee
Industry Arbitrator

Date of decision: February 25, 1997

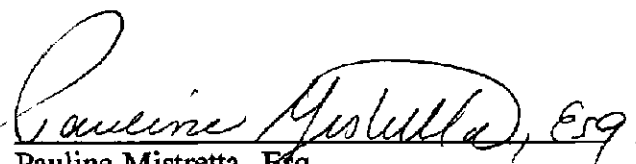
I, **Linda R. Alpert, Esq.**, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Linda R. Alpert, Esq.

Arbitrators' Signatures

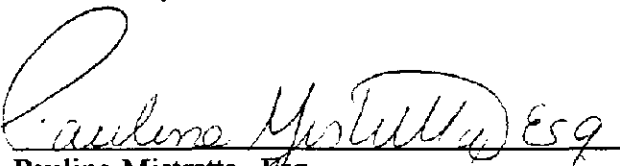
Linda R. Alpert, Esq.
Chairperson-Industry Arbitrator



Pauline Mistretta, Esq.
Industry Arbitrator

Alan Jaffee
Industry Arbitrator

Date of decision: February 25, 1997

I, Pauline Mistretta, Esq., 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.


Pauline Mistretta, Esq.

*Suven A before me
this 12th day of February 1997*


MICHAEL GREG ANTONY
Notary Public, State of New York
No. 4820362
Qualified in Kings County
Commission Expires Oct. 31, 1998 8

Arbitrators' Signatures

Linda R. Alpert, Esq.
Chairperson-Industry Arbitrator

Pauline Mistretta, Esq.
Industry Arbitrator



Alan Jaffee
Industry Arbitrator

Date of decision: February 25, 1997

I, Alan Jaffee, 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.



Alan Jaffee