

AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Jerry Gronsman,

Claimant,

and

No. 96-02689

Centennial Securities Co., Inc.,
and William C. Alsover, Jr.

Respondents.

REPRESENTATION OF PARTIES

Claimant Jerry Gronsman ("Claimant") was represented by Susan Klooz, Esq. and Mark H. Verwgs, Esq. of Pulnkett & Cooney, P.C. located in Grand Rapids, Michigan.

Respondents Centennial Securities Co., Inc. ("Centennial Securities") and William C. Alsover, Jr. ("Alsover") (collectively referred to as "Respondents") were represented by Thomas F. Koernke, Esq. of Boyden, Waddell, Timmons & Dilley located in Grand Rapids, Michigan.

CASE INFORMATION

The Statement of Claim was filed on or about July 23, 1996.

Claimant's Submission Agreement was signed in July of 1996.

The Statement of Answer was filed on or about September 27, 1996.

Respondent Centennial Securities' Submission Agreement was signed on August 19, 1996 by William C. Alsover, Jr., President and CEO of Centennial Securities Co., Inc.

Respondent Alsover's Submission Agreement was signed on August 19, 1996.

HEARING INFORMATION

The hearing in this matter was held on: July 23, 1997 for three (3) sessions; July 24, 1997 for two (2) sessions; and July 25, 1997 for two (2) sessions. The hearing was held in Southfield, Michigan.

CASE SUMMARY

Claimant alleged that he was employed for approximately ten years by broker-dealer and NASD member firm Respondent Centennial Securities. Claimant contended that, on or about February 2, 1995, Claimant was advised by Respondent Centennial's President and CEO, Respondent Alsover, that he "did not fit in with the future plans of the Company" and was being replaced. Claimant asserted that by terminating him Respondents breached Claimant's contract of employment with Centennial Securities. In addition, Claimant maintained that his termination violated the Michigan's Elliott-Larsen Civil Rights Act's prohibition against discrimination on the basis of age. Claimant alleged that Respondents also retaliated against him for asserting that his termination was the result of age discrimination in violation of the Elliott-Larsen Civil Rights Act. Claimant contended that he brought this action to recover losses he suffered and will suffer in the future as a result of Respondents' illegal, discriminatory and retaliatory actions.

Respondents denied all liability to the Claimant in the Statement of Answer. Respondents alleged that the Claimant was discharged by Centennial Securities after more than a year of poor and declining performance on his job. Respondents contended that Claimant was hired in 1985 as an "at will" employee and that status never changed. Respondents asserted that, beginning in mid-1993, when Claimant's performance declined, Respondents patiently waited for that performance to improve. Respondents alleged that Respondents encouraged Claimant to do better and tried to help Claimant do better for over a year. Respondents maintained that these efforts were unavailing and when Respondents discharged the Claimant they had every right to do so.

RELIEF REQUESTED

Claimant requested an award for over \$1,150,000.00 in damages, plus interest, exemplary damages, attorneys' fees, and costs, including arbitration and filing fees.

Respondents requested that the panel determine that Claimant has no valid claim against Respondents.

OTHER ISSUES CONSIDERED AND DECIDED

Claimant's Motion to Exclude Evidence was denied.

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 original(s) remain on file with 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) That Respondent Centennial Securities Co., Inc. is liable for and shall pay to Claimant Jerry Gronsman damages in the amount of One Hundred Thousand Dollars and No Cents (\$100,000.00);
- (2) That all claims against Respondent William C. Alsover, Jr. are hereby dismissed in their entirety with prejudice;
- (3) That Respondent Centennial Securities Co., Inc. shall reimburse Claimant Jerry Gronsman for the hearing session deposit previously deposited with NASD Regulation, Inc. Office of Dispute Resolution which is the amount of One Thousand Dollars and No Cents (\$1,000.00); and
- (4) That other than forum fees, which are addressed below, all other claims and requests for relief not specifically enumerated are hereby denied with prejudice.

FORUM FEES

Forum fees are calculated at the rate of \$1,000 per hearing session and \$300 for each pre-hearing conference, if any. There were seven (7) hearing sessions x \$1,000 = \$7,000 in total forum fees. Pursuant to § 10205(b) of the NASD Code of Arbitration Procedure (the "Code") a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to § 10205(c) of the Code, NASD Regulation, Inc. Office of Dispute Resolution shall

retain the non-refundable filing fee in the amount of \$500 and shall **retain** as forum fees the hearing session deposit in the amount of \$1,000 previously deposited with the NASD Regulation, Inc. Office of Dispute Resolution by Claimant.

Pursuant to § 10333 of the Code, NASD Regulation, Inc. Office of Dispute Resolution shall **retain** the non-refundable member surcharge in the amount of \$500 previously deposited with NASD Regulation, Inc. Office of Dispute Resolution by Respondent Centennial Securities.

Pursuant to § 10205(c) of the Code, Respondent Centennial Securities Co., Inc. is liable for all forum fees incurred in this matter which is the amount of \$6,000 (total forum fees - hearing session deposit.)

Fees are payable to NASD Regulation, Inc. Office of Dispute Resolution.

Concurring Arbitrators' Signatures

\s\ Laurence S. Schultz, Esq.
Laurence S. Schultz, Esq.
Chairperson
Public Arbitrator

August 6, 1997
Dated:

\s\ Stewart C.W. Weiner, Esq.
Stewart C.W. Weiner, Esq.
Panelist
Public Arbitrator

August 4, 1997
Dated:

\s\ Miles D. Hart, Esq.
Miles D. Hart, Esq.
Panelist
Industry Arbitrator

August 4, 1997
Dated:

For NASD use only:

Date Award was served on the parties: August 6, 1997