

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimant

Gibraltar Securities Co.

96-05653

Name of Respondent

Barry K. Gold

REPRESENTATION

For Claimant Gibraltar Securities Co. ("Claimant") appeared Sheldon M. Finkelstein, Esq., of the law firm Hannoch Weisman located in Roseland, New Jersey.

For Respondent Barry K. Gold ("Respondent") appeared W. Hans Kobelt, Esq., of the law firm Polack & Kaminsky located in New York, New York.

CASE INFORMATION

Claimant's Statement of Claim was filed on December 19, 1996.
Claimant's Answer to the Respondent's Counterclaim was filed on July 17, 1997.
Claimant's Submission Agreement signed on December 16, 1996.

Respondent's Statement of Answer was filed on March 18, 1997.
Respondent's Submission Agreement was signed on March 17, 1997.

HEARING INFORMATION

Pre-Hearing Conference:	September 24, 1997	One Session
	December 30, 1997	One Session
	January 15, 1997	One Session
Hearing Dates/Sessions:	February 23, 1998	Two Sessions
	February 24, 1998	Two Sessions
	April 15, 1998	Two Sessions

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that, on October 1, 1996, it entered into a Release and Settlement Agreement with a customer, Ms. Hoag, in order to resolve and settle any and all claims between Ms. Hoag and Gibraltar. Under the terms of this agreement Claimant paid Ms. Hoag \$185,000.00 to settle the claim against it and Respondent. In return Ms. Hoag assigned, transferred and subrogated to Claimant her claims against Respondent. Claimant asserted that the damages paid Ms. Hoag arose due to Respondent's misconduct and breach of fiduciary duty.

Respondent maintained that he suggested products to his customers, at the inducement and instance of Claimant, and that Claimant told him that the investments were suitable and appropriate for his customers based on Gibraltar's research and analysis. Respondent further maintained that Ms. Hoag was an appropriate customer for the investments, and denied any misconduct. Respondent alleged that he had no agreement with Claimant to pay for arbitrations or other claims by customers for whom he acted as a broker.

Pursuant to Respondent's counterclaim, Claimant is liable to Respondent for over \$125,000.00 due to Claimant's breach of a written agreement to purchase his stock in Gibraltar upon his departure from Gibraltar. Respondent further asserted that Claimant is liable to him for a fee assessed against him in connection with an arbitration in which Respondent was not a party. Respondent contended that this action by Claimant is illegal and constitutes economic coercion. Respondent alleged that Claimant defamed him upon his departure in an effort to take his customers and persuade them to cease doing business with Respondent. Respondent further alleged that Claimant has failed to pay him for commissions earned during his employment.

Claimant maintained that the paperwork necessary to liquidate Respondent's shares of Gibraltar stock were sent to him, but that Respondent refused to sign the documentation and co-operate with Claimant regarding his stock. Claimant maintained that Respondent was provided with information regarding the calculation of the monies in question and cashed a check in the amount of \$4,612.11 tendered to him with respect to those monies. Claimant asserted that Respondent agreed to reimburse it for a portion of the sum it paid to settle the claim of his customer, Stanley Speigel. Claimant denied all other allegations contained in the Counterclaim.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$185,000.00, which it paid to Ms. Hoag as assignee of the claim of Ms. Hoag together with counsel fees and costs.

Respondent requested that the Statement of Claim be denied, compensatory damages in the approximate amount of \$500,000.00, plus interest, an accounting as to the correct purchase price for his Gibraltar stock, \$500,000.00 in punitive damages, and the full costs and disbursements of this arbitration.

OTHER ISSUES CONSIDERED & DECIDED

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 remains 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. Claimant is awarded \$30,000.00 on its claim against Respondent.
2. Respondent is awarded \$127,574.58 on his counterclaim against Claimant.
3. Each party is to pay its own attorneys' fees, costs and disbursements.
4. All other requests for relief are hereby denied.

FORUM FEES

Pursuant to Rule 10205(c) of the NASD Regulation Code of Arbitration Procedure, the arbitrators have determined that the NASD will retain the \$500.00 non-refundable filing fee and \$350.00 member surcharge deposited by Claimant and the \$500.00 non-refundable filing fee deposited by Respondent, and have assessed the following Forum Fees:

2 Pre-hearing conferences x \$300.00	=	\$ 300.00
1 Pre-hearing conference (with full panel) x \$1,000.00	=	\$1,000.00
6 Hearing sessions x \$1,000.00	=	<u>\$6,000.00</u>
Total Forum Fees	=	\$7,300.00

1. Claimant is liable for and shall pay the sum of \$3,650.00, representing one-half of the total forum fees assessed. Claimant previously deposited \$750.00 with NASD Regulation, Inc., and, therefore, Claimant is liable for the remaining balance of \$2,900.00.
2. Respondent is liable for and shall pay the sum of \$3,650.00, representing one-half of the total forum fees assessed. Respondent previously deposited \$1,000.00 with NASD Regulation, Inc., and, therefore, Respondent is liable for the remaining balance of \$2,650.00.
3. Claimant is liable for and shall pay the sum of \$500.00, representing one-half of the postponement fee assessed due to the adjournment of the April 1 and 2, 1998, hearing dates. Thus, Claimant is liable for the outstanding balance of \$500.00.

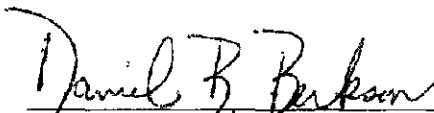
4. Respondent is liable for and shall pay the sum of \$500.00, representing one-half of the postponement fee assessed due to the adjournment of the April 1 and 2, 1998, hearing dates. Thus, Respondent is liable for the outstanding balance of \$500.00.

Fees are payable to NASD Regulation, Inc.

ARBITRATION PANEL

James M. Baumann, Esq.	-	Public Chairperson
Robert E. Tobin		Public Arbitrator
Daniel B. Berkson, Esq.	-	Industry Arbitrator

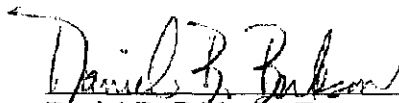
CONCURRING ARBITRATOR'S SIGNATURE



Daniel B. Berkson, Esq.
Industry Arbitrator

Date of decision: May 14, 1998

I, Daniel B. Berkson, 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.




Daniel B. Berkson, Esq.

ARBITRATION PANEL

James M. Baumann, Esq.	-	Public Chairperson
Robert E. Tobin	-	Public Arbitrator
Daniel B. Berkson, Esq.	-	Industry Arbitrator

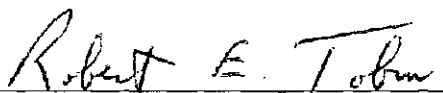
CONCURRING ARBITRATOR'S SIGNATURE



Robert E. Tobin
Public Arbitrator

Date of decision: May 14, 1998

I, **Robert E. Tobin**, 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.

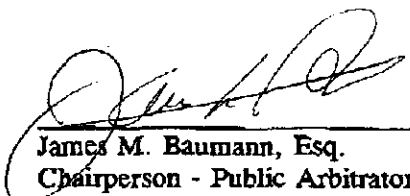


Robert E. Tobin

ARBITRATION PANEL

James M. Baumann, Esq.	-	Public Chairperson
Robert E. Tobin	-	Public Arbitrator
Daniel B. Berkson, Esq.	-	Industry Arbitrator

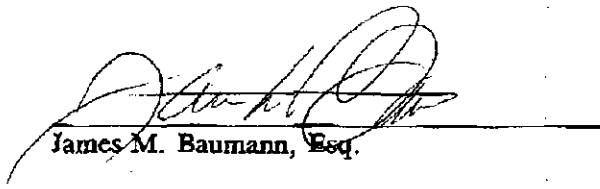
CONCURRING ARBITRATOR'S SIGNATURE



James M. Baumann, Esq.
Chairperson - Public Arbitrator

Date of decision: May 14, 1998

I, James M. Baumann, 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.



James M. Baumann, Esq.