

Award
NASD Dispute Resolution, Inc.

In the Matter of the Arbitration Between

Names of Claimants

Herbert and Shirley Raynor

Case No. 99-02864

Names of Respondents

CIBC World Markets Corp.
Robert Hord
Abbott L. Glasser

Hearing Site: Boca Raton, Florida

REPRESENTATION OF PARTIES

For Herbert and Shirley Raynor, hereinafter collectively referred to as "Claimants": Robert L. Claire, Esq. of Selman & Claire, Boca Raton, Florida.

For CIBC World Markets Corp. ("CIBC"), Robert Hord ("Hord") and Abbott L. Glasser ("Glasser"): Lloyd S. Clareman, Esq., New York, New York. On or about March 10, 2000, Lloyd S. Clareman, Esq. withdrew as counsel for Respondent Glasser. Thereafter Respondent Glasser appeared pro se.

CASE INFORMATION

Statement of Claim filed on or about: June 4, 1999.

Claimants signed the Uniform Submission Agreement on: June 1, 1999.

Joint Statement of Answer of Respondents CIBC, Hord and Glasser filed on or about: September 22, 1999.

Amendment No. 1 to Respondents' Statement of Answer filed by Respondents CIBC and Hord on or about: March 10, 2000.

Amendment to Respondent Glasser's Statement of Answer filed on or about: March 27, 2000.

Respondents did not file executed Uniform Submission Agreements.

CASE SUMMARY

Claimants asserted the following causes of action in connection with the alleged mishandling of their accounts at CIBC: breach of fiduciary duty; fraud and misrepresentation; suitability; violation of Chapters 517.301, 517.311 and 517.211, Florida Statutes; violation of Section 12 of the Securities Exchange Act of 1933; violation of the NASD Rules of Fair Practice, Section 27 "Supervision"; and, breach of the implied covenant of Good Faith and Fair Dealings/Negligence. The causes of action relate to the purchase of various investments for

Claimants' accounts including shares of stock in the following: Vivus, Inc., Cellular Technical Services Company, Zapata Corp., and Planet Poly.

Unless specifically admitted in their Answers Respondents denied the allegations of wrongdoing contained in the Statement of Claim and asserted the following affirmative defenses: Claimants have failed to state a claim on which relief can be granted; Claimants' claims are barred in whole or in part by the doctrines of waiver, ratification and estoppel; Claimants failed to mitigate their alleged damages; Claimants' claims are barred in whole or in part by the applicable statutes of limitation; the Panel is without authority to award attorneys' fees; the Panel is without authority to award punitive damages; and, punitive damage awards violate the due process clause of the Constitution.

RELIEF REQUESTED

Claimants requested the following: compensatory damages in an amount in excess of \$340,000.00; pre-award and post-award interest from the date of the alleged violations, as allowed by law; legal and consulting fees, including expert witness fees, plus the cost of filing and administrative fees incurred in this matter; and, punitive and exemplary damages.

Respondents requested a dismissal of all claims against them in their entirety, that the Panel order the expungement of this complaint from the Central Registration Depository ("CRD") records of Respondents Glasser and Hord and that all hearing costs be assessed against Claimants.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents did not file with NASD Dispute Resolution, Inc. executed submissions to arbitration but are required to submit to arbitration pursuant to the NASD Code of Arbitration Procedure (the "Code") and, having answered the claim, are bound by the determination of the Panel on all issues submitted.

On or about August 21, 2000, Claimants advised NASD Dispute Resolution, Inc. that they had reached a settlement agreement with Respondents CIBC and Hord. Thereafter, this matter proceeded with Claimants and Respondent Glasser only.

Respondent Glasser did not attend the evidentiary hearing in this matter. Upon review of the file and the representations made on behalf of the Claimants, the undersigned arbitrators determined that Respondent Glasser has been properly served with the Statement of Claim and received due notice of the hearing, and that arbitration of the matter would proceed without Respondent Glasser present, in accordance with Rule 10318 of the Code.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the

Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Glasser is found liable with respect to the following claims: breach of fiduciary duty; fraud and misrepresentation; suitability; violation of Chapters 517.301, 517.311 and 517.211, Florida Statutes; violations of Section 12 of the Securities Exchange Act of 1933; and breach of the implied covenant of Good Faith and Fair Dealings/Negligence, and shall pay to Claimants the sum of \$14,887.17, plus post-judgment interest at the rate of 9% per annum, from the date of the Award to the date of payment of the Award.
2. Respondent Glasser is found liable and shall pay to Claimants punitive damages in the amount of \$250,000.00, pursuant to Chapter 517, Florida Statutes. Further, the Panel has considered the conduct of Respondent Glasser, pursuant to the provisions of Section 768.737, Florida Statutes, and finds the following:
 - a. Respondent Glasser breached his fiduciary duties to Claimants by failing to explain and disclose the risks involved in deviating from the investment strategy;
 - b. Respondent Glasser failed to inform Claimants that to invest in options and over-the-counter securities on margin was speculative, and not in accordance with Claimants' stated objectives;
 - c. Respondent Glasser violated Section 517.301(1) Florida Statutes;
 - d. Respondent Glasser reimbursed Claimants for trading losses as alleged in paragraph 13, of the Statement of Claim;
 - e. Respondent Glasser failed to respond truthfully to the allegations set forth in the Statement of Claim and failed to appear at the final hearing; and,
 - f. this Panel awards punitive damages in excess of the provisions of Section 768.73(1)(a) Florida Statutes, finding by clear and convincing evidence that the Award is not excessive in light of the facts and circumstances.
3. Respondent Glasser is found liable and shall pay to Claimants attorneys' fees, the amount of which shall be determined by a court of competent jurisdiction, pursuant to Chapter 517, Florida Statutes.
4. Respondent Glasser is found liable and shall pay to Claimants the sum of \$300.00, representing reimbursement of the claim filing fee previously paid by Claimants to NASD Dispute Resolution, Inc.

5. The Panel recommends the expungment of all references to the above-captioned arbitration from Respondent Hord's CRD record, with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Hord must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungment directive.
6. Any and all requests for relief not specifically addressed herein, including Respondent Glasser's request for the expungment of all references to this matter from his CRD record, are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee	= \$ 300.00
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Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge	= \$1,500.00
Pre-hearing process fee	= \$ 600.00
Hearing process fee	= \$2,500.00

Adjournment Fees

Adjournments requested during these proceedings:

There were no adjournments requested during these proceedings.

Forum Fees and Assessments

The Panel has the authority to assess forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with the Panel x \$1,125.00	= \$1,125.00
Pre-hearing conference date: January 25, 2000	1 session

One (1) Hearing session x \$1,125.00	= \$1,125.00
Hearing date: February 27, 2002 1 session	
<hr/> Total Forum Fees	<hr/> = \$2,250.00

The Panel has assessed the total forum fees of \$2,250.00 to Respondent Glasser.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

No administrative costs were incurred during these proceedings.

Fee Summary

Claimants be and hereby are jointly and severally liable for:

Initial Filing Fee	= \$ 300.00
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<hr/> Total Fees	<hr/> = \$ 300.00
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Less payments	= \$ 300.00
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<hr/> Balance Due NASD Dispute Resolution, Inc.	<hr/> = \$ 0.00
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Respondent CIBC be and hereby is solely liable for:

Member Fees	= \$4,600.00
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<hr/> Total Fees	<hr/> = \$4,600.00
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Less payments	= \$4,600.00
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<hr/> Balance Due NASD Dispute Resolution, Inc.	<hr/> = \$ 0.00
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Respondent Glasser be and hereby is solely liable for:

Forum Fees	= \$2,250.00
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<hr/> Total Fees	<hr/> = \$2,250.00
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Less payments	= \$ 0.00
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<hr/> Balance Due NASD Dispute Resolution, Inc.	<hr/> = \$2,250.00
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All balances are due and payable to NASD Dispute Resolution, Inc. immediately upon

receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Eli Breger, Esq.	-	Public/Presiding Chair
Sandra J. Bakalus	-	Non-Public/Panelist
Mark Whitney Garrett	-	Public/Panelist

Concurring Arbitrators' Signatures

_____/s/_____
Eli Breger
Public Arbitrator, Presiding Chair

_____/4/25/02_____
Signature Date

_____/s/_____
Sandra J. Bakalus
Non-Public Arbitrator

_____/4/25/02_____
Signature Date

_____/s/_____
Mark Whitney Garrett
Public Arbitrator

_____/4/24/02_____
Signature Date


April 25, 2002
Date of Service (For NASD-Dispute Resolution office use only)

receipt of the Award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Eli Breger, Esq.	-	Public/Presiding Chair
Sandra J. Bakalus	-	Non-Public/Panelist
Mark Whitney Garrett	-	Public/Panelist

Concurring Arbitrators' Signatures



Eli Breger, Esq.
Public Arbitrator, Presiding Chair

4/25/02

Signature Date

Sandra J. Bakalus
Non-Public Arbitrator

Signature Date

Mark Whitney Garrett
Public Arbitrator

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)

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receipt of the award by the parties pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Eli Bregman	Public/Presiding Chair
Sandra I. Bakalus	Non-Public/Panelist
Mark Whitely	Public/Panelist

Copies: 4r Signatures

Eli Bregman
 Public/Presiding Chair

Signature Date

Sandra I. Bakalus
 Non-Public/Panelist

Signature Date

Mark Whitely
 Public/Panelist

Signature Date

Date of Award (For Dispute Resolution office use only)

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ARBITRATION PANEL

Eli Breger, Esq.

Public/Presiding Chair

Sandra J. Bakalus

Non-Public/Panelist

Mark Whitney Garrett

Public/Panelist

Concurring Arbitrators' Signatures

Eli Breger, Esq.

Signature Date

Public Arbitrator, Presiding Chair

Sandra J. Bakalus

Signature Date

Non-Public Arbitrator



Mark Whitney Garrett

Public Arbitrator

4/24/02

Signature Date

Date of Service (For NASD-Dispute Resolution office use only)