

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the Matter of Arbitration Between

REBECCA KING

Claimant

v.

DREXEL BURNHAM LAMBERT, INC.

CHARLES BEST, GEORGE WILMOT

Respondents

NASD NO. 85-01268

**CASE SUMMARY**

Rebecca King ("Claimant") alleged the following:

1. Drexel Burnham Lambert, Inc. ("Drexel") Charles Best ("Best"), and George Wilmot ("Wilmot") (Drexel, Best and Wilmot are collectively referred to herein as "Respondents") sold securities to the Claimant by means of untrue statements of material facts and omissions to state material facts;

2. Respondents churned the Claimants account, engaged in unauthorized transactions in the Claimant's account, and made unsuitable trades for the Claimant;

3. Respondents unlawfully withheld monthly statements and confirmations;

4. Respondents breached their fiduciary duty to the Claimant;

5. Drexel and Best failed to properly supervise Wilmot; and

6. Respondents are liable to Claimant under the Texas Securities Act, Section 27.01 of the Texas Business and Commerce Code, Common Law Fraud, and Breach of Fiduciary Duty, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

Respondents denied each and every claim of the Claimant and further stated the Claimant ratified all transactions, and further alleged that the Claimants claims were barred by the Statute of Limitations, Res Judicata, Accord and Satisfaction, Laches, Estoppel, and Waiver.

### CROSS CLAIM

Drexel and Best asserted a cross claim against Wilmot and to the extent Drexel and Best are held liable to King, then Wilmot is liable to Drexel and Best.

### RELIEF REQUESTED

Claimant requested damages in the amount of \$73,356.78, plus attorneys' fees and costs. Respondents requested the Claimant's claims be dismissed and that Respondents be awarded their costs incurred in defending this action.

### AWARD

Claimant filed its claim with the NASD on November 9, 1985. On October 11, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in the submissions to the Arbitrators signed by Rebecca King on November 8, 1985, by Ronald Shindler on behalf of Drexel on April 1, 1986, by Charles Best on March 31, 1986, and on June 17, 1986 by George Wilmot. The hearing was held in two sessions in Dallas, Texas.

The arbitration panel, having considered the pleadings and evidence presented by the parties, has decided in full and final resolution of the issues submitted for determination as follows:

1. All the claims of the Claimant against Respondents Drexel Burham Lambert, Inc., Charles Best, and George Wilmot are dismissed;
2. The parties shall bear their own costs including attorneys fees;

3. Pursuant to Section 43 of the NASD Code of Arbitration Procedure the NASD shall retain the \$500.00 previously deposited by the Claimant as forum fees.

PRESIDING ARBITRATORS

Dated: October 11, 1989

S/SA. James Lynn, C.P.A.  
Chair Person

Dated: October 11, 1989

S/SDavid H. Rosenberg, Esq.

Dated: October 11, 1989

S/SMs. Lyn Lane