

NATIONAL AS

In the Matter of the Arbitration Between

Patricia Ann Hanson

Claimant

vs.

Alan C. Brookes

Respondent

AWARD

CASE NO. 87-02186

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on November 12, 1987. Claimant alleged that Respondent acted negligently by partially liquidating her account on October 20, 1987 in response to a margin call without notifying her or allowing sufficient time to deposit additional funds. Claimant further alleged that she authorized the purchase of only one security on margin and instructed all other purchases to be made in her cash account and that Respondent disregarded these instructions.

Respondent denied the allegations and maintained that Claimant was at all times aware of her position on margin and that Claimant's account was partially liquidated when the equity fell below house and federal margin call levels.

DAMAGES AND RELIEF REQUESTED

Claimant requested actual damages in the amount of \$7,614.21 and unspecified punitive damages.

Respondent requested dismissal of the claim.

DAMAGES AND RELIEF AWARDED

On February 27, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on November 5, 1987 and by Respondent on February 1, 1988. The hearing was held in Los Angeles, California and lasted one session. The arbitrator, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent is hereby liable for and shall pay to Claimant the sum of Seven Thousand, Six Hundred Fourteen Dollars and Twenty-One Cents (\$7,614.21); this amount is to be off-set by any sums received by Claimant pursuant to the settlement agreement, if any, entered into between Claimant and David A. Noyes & Co.

2. The claim for punitive damages is dismissed.

3. The parties shall each bear their respective costs including attorneys' fees.

4. Pursuant to Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$200.00 filing fee previously deposited by the Claimant.

OTHER ISSUES

Respondent Alan C. Brookes, duly notified of the arbitration hearing pursuant to the NASD Code of Arbitration Procedure, did not appear at the hearing in this matter.

Claimant withdrew her claims against David A. Noyes & Co. prior to the arbitration hearing pursuant to a Stipulation to Dismiss with Prejudice entered into between the parties.

PRESIDING ARBITRATOR

DATE SERVED: 04/11/90

Wayne E. Gallop
Wayne E. Gallop

