

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
)	
Paul Stottsberry and Patricia Stottsberry,)	
Claimant,)	
)	Case #88-00546
vs.)	Award
)	
William B. Barton and)	
E.F. Hutton and Co., Inc.,)	
Respondent.)	
)	

Heard before the Arbitration Panel:

George S. Coit Jr., Esq.
Mr. Louis Saxton

On May 4, 1989, the arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants on March 23, 1988, and by Respondent William B. Barton on June 13, 1988 and E.F. Hutton & Co., Inc. on June 16, 1988. The arbitration panel, 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. Based on Respondents' Objection for Cause to Eugene Harper, Mr. Harper was removed from the panel and the parties agreed to go forward with the two remaining panel members to decide the claim.
2. The parties have agreed that the arbitrators may execute counterpart copies of the award and that conformed copies of such award will be provided to the parties.
3. Respondents William B. Barton and E.F. Hutton & Co., Inc., shall be and hereby are liable, jointly and severally, and shall pay to the Claimants the amount of One Hundred Ninty Thousand and 00/100 (\$190,000.00) Dollars.
4. The parties shall each bear their respective costs including attorneys' fees.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the Claimants shall be and hereby are assessed forum fees in the amount of One Thousand and 00/100 (\$1,000) Dollars. The N.A.S.D., Inc. shall retain the Seven Hundred Fifty and 00/100 (\$750.00) Dollar filing fee previously deposited by Claimants as partial satisfaction of such fees, leaving a balance of Two Hundred Fifty and 00/100 (\$250.00) Dollars due to the NASD, Inc.

Dated: May 24, 1989

MEMORANDUM

TO: Award File

FROM: Alan J. Foxman
Staff Attorney

DATE: July 11, 1989

RE: NASD Arbitration 88-00546
Paul Stottsberry and Patricia Stottsberry vs.
William B. Barton and E.F. Hutton & Co., Inc.

Pursuant to the May 10, 1989 amendments to the NASD Code of Arbitration Procedure, a case summary is required of all cases pending as of May 10, 1989. The following case summary was prepared by NASD Staff after the hearing but prior to the rendition of the Award. Consequently, this case summary is not formally a part of the Award.

CASE SUMMARY

This claim was filed with the NASD, Inc. on February 22, 1988. The hearing was conducted in Tampa, Florida on May 4th and 5th, 1989 with a total of five (5) sessions.

Claimants' Paul and Patricia Stottsberry ("the Stottsberry's"), alleged that Respondents' E.F. Hutton & Co., Inc. ("Hutton") and William B. Barton ("Barton") were liable for violations of Sections 10(b) and 15(b) (4) (E) of the Securities and Exchange Act Rule 10b-5; NASD Rules of Fair Practice; Florida Statute Section 517; common law fraud and deceit and intentional infliction of emotional distress. Specifically, the Stottsberry's alleged that Hutton and Barton sold them unsuitable debt and equity securities which were highly speculative contrary to the Stottsberry's stated investment objectives. Respondents' stated that the Stottsberry's were apprised of all the risks, made informed decisions, and ratified the transactions. Respondents' counterclaimed for attorney's fees and costs, which counterclaim the Stottsberry's asked be dismissed.

AJF:lc