

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
)	
)	
GUS AND MARIA STAVROPOULES, JAMES AND MARY)	
PULTE, WOLVERINE CARBIDE DIE COMPANY AND)	
ITS EMPLOYEES PROFIT SHARING TRUST)	
)	CONSOLIDATED
Claimant(s))	CASE NOS. 88-00820,
and)	88-00862, &
)	88-02796
LAWRENCE D. BIRNBAUM AND BEAR)	
STEARNS & CO., INC.)	
Respondent(s))	

CASE SUMMARY

James and Mary Pulte, Gus and Maria Stavropoulos, Wolverine Carbide Die Company Employees' Profit Sharing Trust, and Wolverine Carbide Die Company, a Michigan Corporation (collectively referred to herein as "Claimants") alleged that Lawrence D. Birnbaum and Bear Stearns & Co., Inc. (collectively referred to herein as "Respondents"):

1. Failed to advise Claimants of the status of their margin account including but not limited to, their right to meet any margin call and the amount of that call;
2. Improperly told the Claimants that they had to sell the stocks in their accounts;
3. Improperly liquidated the Claimants accounts;
4. Failed to advise the Claimants on October 20, 1987 of other alternatives to selling their stocks;
5. Violated federal and state securities laws, RICO, and various rules of the self regulatory organizations; and
6. Are liable to the Claimants for common law fraud, breach of contract, breach of fiduciary duty, and negligence.

Respondents denied each claim of the Claimant and further alleged:

1. On October 20, 1987 the Claimants authorized the liquidation of all their stock positions;
2. Respondents met any duty they had to Claimants by giving their best advice based on their research and knowledge of market conditions;

3. Bear Stearns & Co. properly liquidated the Claimants under the agreements between the parties and the liquidations were authorized by law; and

4. Respondents properly advised the Claimants of the status of their margin accounts.

RELIEF REQUESTED

The Claimants requested the following relief:

1. Actual/Compensatory Damages:

Gus and Maria Stavropoulos:	\$111,040.94
James and Mary Pulte:	394,582.95
Wolverine Carbide Die Co.:	129,489.19
Wolverine Carbide Die Company	
Employees' Profit Sharing Trust:	41,735.34

2. Damages under 18 U.S.C. 1964 (c) (RICO);

3. Interest;

4. Punitive Damages; and

5. Attorneys' fees and costs.

The Respondents requested that all the claims of the Claimants be dismissed and awarded their attorneys' fees and costs.

AWARD

On March 14, 1988 the NASD received the Claimants' claims. On May 22 and 24, 1990, in Southfield, Michigan, during a hearing lasting six (6) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in the submissions to arbitration signed on March 8, 1988 by Maria and Gus Stavropoulos, on August 25, 1988 by Gus Stavropoulos on behalf of Wolverine Carbide Die Company and its Employees' Profit Sharing Trust, on March 9, 1988 by James and Mary Pulte, on June 1, 1988 by Lawrence Birnbaum, and on June 1, 1988 by Mark E. Lehman on behalf of Bear Stearns & Co., Inc.

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

1. All claims asserted by the Claimants against the Respondents are hereby dismissed;

2. The parties shall bear their own attorneys' fees and costs; and

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimants and the Respondents shall be jointly liable for and shall pay to the NASD \$1,500 as forum fees.

By the Panel

Dated: _____

/s/ _____

D. Larry Crenshaw, Esq.
Presiding Chair

Dated: _____

/s/ _____

Ed Peterson

Dated: Aug 17, 1990

/s/ _____

Larry G. Kroul
Larry G. Kroul

88-520,362 + 2796

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

1. All claims asserted by the Claimants against the Respondents are hereby dismissed;


2. The parties shall bear their own attorneys' fees and costs; and

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimants and the Respondents shall be jointly liable for and shall pay to the NASD \$1,500 as forum fees.

By the Panel

Dated: _____

/s/


D. Kerry Crenshaw, Esq.
Presiding Chair

Dated: _____

/s/

Ed Peterson

Dated: _____

/s/

Larry G. Kroul

48-429862 + 2796

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

1. All claims asserted by the Claimants against the Respondents are hereby dismissed;

2. The parties shall bear their own attorneys' fees and costs; and

3. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimants and the Respondents shall be jointly liable for and shall pay to the NASD \$1,500 as forum fees.

By the Panel

Dated: _____

/s/

D. Kerry Crenshaw, Esq.
Presiding Chair

Dated: 9-20-90

/s/

Edward C. Pedersen
Edward C. Pedersen

Dated: _____

/s/

Larry G. Kroul