

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

-----  
In the Matter of the Arbitration Among

Fred Ullman,

Claimant

vs.

E.F. Hutton & Co., Inc.,  
Bevin Crodian and  
Stephen D'Antuono,

Respondents  
-----

}  
} Case #88-00826  
}

} Award  
}

CASE SUMMARY

Claimant, Fred Ullman, alleged that Respondents, Bevin Crodian and Stephen D'Antuono, acting as a partnership within E.F. Hutton & Co., Inc., fraudulently induced the Claimant to open a discretionary account with them for the purposes of churning the account with speculative and unsuitable transactions. Respondents maintain that Claimant's losses were primarily due to the precipitous and extraordinary decline in the market that occurred on October 16 and 19, 1987 and not to any wrongdoing by Respondents.

RELIEF REQUESTED

Claimant requested damages of \$51,177, plus interest; rescission of all trades executed on margin and restoration of Claimant's account balance; a refund of his deposit with the National Association of Securities Dealers, Inc. and other costs; attorneys' fees and punitive damages in the amount of \$250,000.00. Respondent, E.F. Hutton & Co., Inc., requested that all

Claimant's demands be dismissed and in turn requested payment of a debit balance left in Claimant's account in the amount of \$29,927.86, plus interest.

AWARD

On January 31, March 20 and April 13, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant on January 29, 1988, by E.F. Hutton & Co., Inc. on June 6, 1988, by Bevin Crodian on June 2, 1988 and by Stephen D'Antuono on June 8, 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:

A. The Respondent, E.F. Hutton & Co., Inc., shall be liable to the Claimant for the sum of Sixty-Three Thousand Three Hundred Sixty-Eight Dollars and Ninety-Five Cents (\$63,368.95). However, Thirty-Thousand One Hundred Eighty-Five Dollars and Ninety-Nine Cents (\$30,185.99) of this amount shall be used to reduce the debit balance in Claimant's account as of October 19, 1987 that has not been paid. Therefore, E.F. Hutton shall be liable for and shall pay to the Claimant the total sum of Thirty-Three Thousand One Hundred Eighty-Two Dollars and Ninety-Six Cents (\$33,182.96), which includes interest.

B. In addition to the above, E.F. Hutton & Co. shall be liable for and shall pay to the Claimant an additional sum of Nine Thousand Five Dollars and Seventy-Two Cents (\$9,005.72), which includes the rescission of the following stock purchases and interest: Hogan Systems,

Shared Medical Systems, Midway Airlines, Lee Data, IRE Financial, and EFH Directions Fund.

C. The claims against Respondents, Bevin Crodian and Stephen D'Antuono, shall be and hereby are dismissed in all respects.

D. The parties shall each bear their respective costs, including attorneys' fees;


E. Claimant's claim for punitive damages shall be and hereby is dismissed in all respects.


F. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimant.

G. Respondent, E.F. Hutton & Co., Inc., is assessed forum fees in the amount of Two Thousand Dollars and No Cents (\$2,000.00) payable to the NASD, Inc. through its staff administrator in accordance with Section 43 of the Code of Arbitration Procedure.

H. As set forth above, the total sum due from E.F. Hutton & Co., Inc. to Fred Ullman is \$42,188.68. The total sum due from E.F. Hutton & Co., Inc. to the NASD, Inc. is \$2,000.00.

  
Richard W. Kurrus

  
Darryl Hudson, III, Esq.

  
Robert Fleming

Dated: August 14, 1989

5. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees the \$400.00 filing fee previously deposited with the NASD by the Claimant Roney & Co. Additional forum fees in the amount of \$2400.00 are assessed and shall be paid to the NASD by Claimant Roney & Co.

By the Panel

Dated: \_\_\_\_\_ /S/ \_\_\_\_\_  
Janel S. Fain, Esq.  
Presiding Chairman

Dated: \_\_\_\_\_ /S/ \_\_\_\_\_  
Elbert C. Mackey, Esq.

Dated: \_\_\_\_\_ /S/ \_\_\_\_\_  
Lawrence Rosenstock, Esq.