

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Stephen G. Sheppard

Claimant

and

B.C. Christopher Securities Co.

Respondent

A W A R D  
88-01065

SUMMARY OF THE CLAIM

Steve Sheppard ("Claimant") alleges that B.C. Christopher ("Respondents") made misleading statements, fraudulent misrepresentations and omissions of material facts in the negligent handling of Claimant's account. In addition, Claimant alleges that he was not suitable for trading index options.

Respondent denies each and every allegation made by the Claimant. Specifically, Respondent alleges that Claimant is a suitable investor for index options and that no unauthorized trading in the account occurred. In addition, Respondent denies any intentional or negligent wrongdoing in the handling of Claimant's trading account.

Respondent counterclaims against the Claimant and alleges violation of 10(b)-5, common law misrepresentation, fraud and breach of warranty resulting from his conduct.

Claimant denies each and every allegation of the counterclaim which specifically alleges misrepresentation, fraud, breach of warranty or violation of any statute or securities law.

RELIEF REQUESTED

Claimant requests damages in the amount of \$92,378.66 including interest at the rate of 14% per annum from April 20, 1987.

Respondent requests that the claim be dismissed. In addition, Respondent counterclaims and requests costs and attorneys fees in the amount in excess of \$20,000 and in the amount of any award favorable to Claimant. Further, the Respondent requests that the costs of the proceeding be assessed against the Claimant.

Claimant requests that the counterclaim be dismissed and for an award of attorneys fees and costs against the Respondent.

#### AWARD

On October 2 and 3, 1989, in Omaha, Nebraska during a hearing lasting six sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on March 11, 1988 by Claimant Stephen G. Sheppard, on June 21, 1988 by Robert S. Oppold on behalf of Respondent B.C. Christopher & Co.

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. B.C. Christopher is liable to Stephen Sheppard and shall pay as damages the amount of \$57,404.50 plus interest at the rate of ten percent (10%) per annum from April 23, 1987 in the amount of \$14,829.50 for a total of \$72,234.00;

2. B.C. Christopher's counterclaims are dismissed;

3. Each party shall bear its own costs and expenses including attorneys fees;

4. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees the \$500.00 filing fee previously deposited with the NASD by the Claimant. In addition, B.C. Christopher shall be assessed and deposit with the NASD as additional forum fees the amount of \$2,500.00.

By the Panel,

Dated: November 22, 1989

/S/ Wayne S. Rasmussen, Esq.  
Presiding Chair

Dated: November 22, 1989

/S/ John L. Bohrer

Dated: November 22, 1989

/S/ John D. Hudson, Esq.