

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Dr. Stanley Schiff, Bernice Schiff, Jordan Schiff,
and Dr. Stanley Schiff BS Defined Contribution
M/P Pension Plan

AWARD
#88-01244

Claimants

vs.

Beuret and Company, Ltd., Wall Street Clearing
Corporation, John Maucere and Barry Bendett

Respondents

CASE SUMMARY

Claimants alleged that Respondents invested Claimants' funds in highly speculative, low-priced securities, misrepresented these securities to the Claimants, traded without authorization, and failed to execute trades. Claimants further alleged that Respondents invested in unsuitable securities for each of the Claimants' accounts when suitability standards would specify distinct objectives for each account.

Respondent Wall Street Clearing maintained that they never restricted Beuret and Company, Ltd.'s ability to sell securities in the customers' accounts, followed all applicable rules and regulations, had no duty to execute trades on behalf of the Claimants, and acted in a manner consistent with just and equitable principles of trade. Respondent Barry Bendett maintained that he never received or exercised discretionary power in the Claimants' accounts and advised the Claimants of the volatile nature of the over-the-counter market. Respondents Beuret and Company, Ltd. and John Maucere did not file Statements of Answer to the Statement of Claim.

RELIEF REQUESTED

Claimants requested damages in excess of \$200,000, interest, punitive damages, costs and disbursements, and attorneys fees. Respondent Wall Street Clearing Corporation requested that the claims of the Claimants be dismissed, that Wall Street Clearing Corporation be awarded costs and disbursements including attorneys fees, that Wall Street Clearing Corporation be awarded all amounts owing to it from any debit balance in the joint account of Stanley and Bernice Schiff and any debit balance in the account of Jordan Schiff plus pre- and post-judgment interest. Respondents Beuret and Company, Ltd. and John Maucere did not file Statements of Answer to the Statement of Claim.

AWARD

On April 12, 1990 and April 23, 1990 in New York City in four hearing sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Dr. Stanley Schiff, Bernice Schiff, Jordan Schiff and Dr. Stanley Schiff for HS Defined Contribution M/P Pension Plan on April 12, 1988, by Respondent Wall Street Clearing Corporation on September 13, 1988 and not signed by Respondents Beuret and Company, Ltd., John Maucere and Barry Bendett as required by Sections 12 and 25 of the Code of Arbitration Procedure. Statements of Answer were not filed by Respondents Beuret and Company, Ltd. and John Maucere as required by Sections 12 and 25 of the Code of Arbitration Procedure despite due notice being given.

The initial claim was filed on April 18, 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. Respondents Beuret and Company, Ltd., John C. Maucere, Jr., and Barry Bendett are jointly and severally liable and shall pay to the Claimants the sum of Seventy Thousand Dollars and No Cents (\$70,000.00).

2. The counterclaim of Wall Street Clearing Corporation be and hereby is dismissed in all respects.

3. The claims of the Claimants against Wall Street Clearing Corporation be and hereby are dismissed in all respects.

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

5. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the \$750.00 filing fee previously deposited by the Claimant. All other forum fees are waived.

CONCURRING ARBITRATORS

/s/

Milton Lehrer

/s/

Anne Cugliani

/s/

Domenick Natale

Date: July 5, 1990