

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between		}	AWARD
Lawrence A. Brockman	Claimant		
vs.			
E. F. Hutton & Co., Inc. and Morris Symson	Respondents		
			CASE NO. 88-01949

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on June 17, 1988. Claimant Lawrence A. Brockman alleges that Respondents E. F. Hutton & Co., Inc. and Morris Symson induced him into opening a margin account by using Claimant's Australian Bond Fund as collateral. Respondent Morris Symson then recommended purchases and sales of various options transactions including naked, covered and indexed. Subsequently, a commodities account was also opened. Claimant alleges that Respondents knew that Claimant had no experience in these transactions and knew or should have known that such risk was unsuitable for Claimant.

Respondent alleges that Claimant gave discretionary authority to his accountant who was informed of and approved all the transactions in Claimant's account. Respondents also assert that any losses in Claimant's account came about because of unforeseen and unpredictable market conditions.

DAMAGES AND RELIEF REQUESTED

Claimant seeks general damages in the sum of \$360,000.00, interest, costs, attorneys' fees and punitive damages.

Respondents seek dismissal of the claim in its entirety and costs.

DAMAGES AND RELIEF AWARDED

On April 17 and 18, 1990 in Los Angeles, California, the undersigned arbitrators heard the controversy in five sessions between the parties as set forth in submissions to arbitration signed by Claimant Lawrence A. Brockman on June 8, 1988 and by Respondents E. F. Hutton & Co., Inc. on August 29, 1988 and Morris Symson on September 6, 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. Respondent E. F. Hutton & Co., Inc. is solely liable for and shall pay to Claimant the sum of Ninety-Five Thousand, Two Hundred Dollars and Zero Cents (\$95,200.00) inclusive of interest.

2. Respondent Morris Symson is liable for and shall pay to Claimant the sum of Sixteen Thousand, Eight Hundred Dollars and Zero Cents (\$16,800.00) inclusive of interest.

3. Claimant's claim for punitive damages is denied.

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

5. In accordance with Section 43 of the NASD Code of Arbitration Procedure:

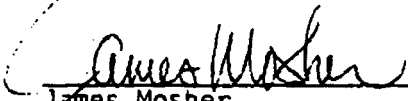
- a. The NASD shall retain the \$750.00 filing fee previously deposited by the Claimant as an assessment of forum fees by the arbitrators;
- b. Claimant is assessed and shall pay to the National Association of Securities Dealers, Inc. the sum of \$500.00 in forum fees;
- c. Respondent E. F. Hutton & Co., Inc. is assessed and shall pay to the National Association of Securities Dealers, Inc. the sum of \$1,250.00 in forum fees; and
- d. Respondent Morris Symson is assessed and shall pay to the National Association of Securities Dealers, Inc. the sum of \$1,250.00 in forum fees.

PRESIDING ARBITRATORS

DATE SERVED: 05/22/90

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Aaron Fenton

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George L. Maison, M.D.

  
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James Mosher

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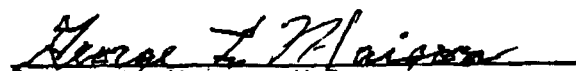
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