

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

LEWIS F. AND SUSAN T. BUCKINGHAM

Claimants

and

NEWHARD, COOK & CO. AND
RICHARD LONGSDORF

Respondents

CASE NO. 88-01989

CASE SUMMARY

Claimants, Lewis F. Buckingham and Susan T. Buckingham ("Buckingham's") alleged that Newhard, Cook & Co. and their representative Richard Longsdorf engaged in the trading of Index Options in the Buckingham's account and that such trades were 1) unauthorized, 2) misrepresented by the failure of Respondents to explain the risks of such trades, and 3) not suitable for the Claimants investment objectives and financial situation.

In answer, Respondents denied each of the claims of the Claimants, and further, alleged that the Buckingham's comparative and contributory fault along with their lack of due diligence bars them from recovery; that the Buckingham's claims are barred by waiver, estoppel, ratification, laches, and the Claimants negligence; and the fact that Claimants did not rely upon any alleged misrepresentations of the Respondents, nor were they induced by the Respondents, nor did the Respondents have any intent to deceive or act with any recklessness.

RELIEF REQUESTED

Buckingham's requested damages of \$160,597.07, together with interest, attorneys' fees, cost, and punitive damages jointly and severally against the Respondents. Respondents request that Claimants claims be dismissed with prejudice and that the Respondents be awarded their attorneys' fees and costs.

PROCEDURAL SUMMARY

Buckingham's filed their claim against the Respondent on June 20, 1988. The undersigned arbitrators heard the controversy on June 20-21, 1989 and July 21, 1989 as submitted by the parties pursuant to the Uniform Submission Agreements executed on June 10, 1988 by the Buckingham's, on August 4, 1988 by Richard Longsdorf, and on July 5, 1988 by James R. Hausmann on behalf of Newhard, Cook & Co., Inc. The hearing was held at the NASD District Offices in Denver, Colorado in six sessions.

AWARD

Claimants are hereby awarded damages of \$140,164.43 plus prejudgment interest of \$19,623.01 for a total amount of \$159,787.44 against Newhard, Cook & Co., Inc. and Richard Longsdorf jointly and severally. Parties shall bear their own respective costs including attorneys' fees.

Pursuant to Section 43 of the NASD Code of Arbitration Procedure the \$750.00 filing fee deposited by the Claimant shall be retained by the NASD and the Claimants shall pay an additional \$1,500.00 as forum fees. Respondents shall pay \$2,250.00 in forum fees. All forum fees are payable to the NASD through its staff counsel.

Arbitrators Concurring

Dated: 8-30-89

/S/Robert C. Roth, Jr. Esq.
Presiding Chair

Dated: 8-30-89

/S/Steve A. Miller, Esq.

Dated: 8-30-89

/S/Peter A. Stoll

Date Served: 8-30-89