

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

Stauffco, Inc.	Claimant(s)	AWARD
vs.		CASE #88-02495
Drexel Burnham Lambert, Inc. Lance E. Cummings PaineWebber	Respondent(s)	

SUMMARY OF ISSUES

This case was filed on July 25, 1988. Claimant Stauffco, Inc. alleges that Respondent Drexel Burnham Lambert, Inc. through its representative Lance E. Cummings made certain misrepresentations regarding investments in a common stock.

Claimant states that Respondent Cummings continually gave assurances that the stock would rise in value and that it should not be sold.

However, the stock declined in value to the point where the net equity value of Respondent's account was \$4,081.64.

Respondent Drexel Burnham Lambert, Inc. asserts that Stauffco was fully aware of all the purchases of said stock in its account and acquiesced to them. They also claim that Claimant was informed of and knew the risk involved in investing in the stock and that the investments were suitable.

DAMAGES AND RELIEF REQUESTED

Claimant seeks to recover damages in the sum of approximately \$103,000.00 plus interest, punitive damages, costs and attorneys fees.

Respondents seek dismissal of the claim in its entirety, costs and attorneys' fees.

DAMAGES AND RELIEF AWARDED

On November 16, 1989 in Los Angeles, California the undersigned arbitrators heard the controversy in three sessions between the parties as set forth in submissions to arbitration signed by Claimant Stauffco, Inc. dated September 7, 1988 and by Respondent Drexel Burnham Lambert, Inc. and Lance Cummings did not file submission agreements, however, Drexel Burnham Lambert stipulated to the

jurisdiction of the panel. 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. Drexel Burnham Lambert, Inc. is solely liable and shall pay to Claimant the sum of Seventy Eight Thousand Dollars and no cents (\$78,000.00) inclusive of interest.

2. Drexel Burnham Lambert, Inc is assessed and shall pay to the National Association of Securities Dealers, Inc the sum of \$1500.00 in forum fees.

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

4. Pursuant to Section 43 of the National Association of Securities Dealers, Inc ("NASD") Code of Arbitration Procedure, the NASD shall retain the \$750 filing fee previously deposited by the Claimant.

OTHER ISSUES

Prior to the hearing a settlement was reached between Claimant and Respondent PaineWebber, Inc.

Respondent Cummings was not served and could not be located by the National Association of Securities Dealers or Claimant. Respondent Drexel Burnham Lambert, Inc. answered on its own behalf.

ARBITRATORS CONCURRING

DATE SERVED: 12/14/89

Mark T. Brooks


Frank R. Smith

Walter W. Klosterman