

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)

MICHAEL F. LITTLE, INDIVIDUALLY
AND AS TRUSTEE,)

Claimant)

and)

DREXEL BURNHAM LAMBERT INCORPORATED,)

Respondent)

CASE NO. 89-01446

CASE SUMMARY

Michael F. Little ("Claimant"), individually and as Trustee of the John Pat Little, Jr. and Michael F. Little Usufructuary Trusts and as successor to the Marjorie A. Little account, alleged as follows:

1. A registered representative of Drexel Burnham Lambert, Inc. ("Respondent") misrepresented and failed to explain the risks of purchasing securities in Pay N' Save, Inc., Bond Brewing, and American Continental Corporation ("the Securities");

2. The securities were not suitable for the Claimant's own accounts nor the accounts over which he was Trustee or he had an interest; and

3. The representative of Drexel made an unauthorized trade in an account.

Respondents denied the claim and alleged that the Claimant's claims were barred by the following:

1. The doctrines of laches, contributory negligence, and estoppel;

2. The fact that the Claimant was a sophisticated investor and was fully aware of the risks of his investments; and

3. Any losses sustained were due to market conditions for which Respondent can not be held liable.

RELIEF REQUESTED

Claimant requested damages in the amount of \$201,800.00

Respondent requested that the claim of the Claimant be dismissed and it be awarded its costs.

AWARD

On May 17, 1989, the Claimant filed his claim with the NASD. On March 29, 1990 during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in the submissions to arbitration signed on May 5, 1989 and June 26, 1989 by the Claimant Michael F. Little, and on October 30, 1989 by James R. Swanson on behalf of Respondent Drexel Burnham Lambert, Inc. The hearing was held in New Orleans, Louisiana.

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. All claims asserted by the Claimant against the Respondent are hereby dismissed.

2. The parties shall bear their own fees and costs.

3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimant and the Respondent shall pay to the NASD \$750.00 as forum fees.

By the Panel

Dated: 04/12/90 /S/ John F. Galvin
Presiding Chair

Dated: 04/10/90 /S/ Herman Brasseaux

Dated: 04/12/90 /S/ Stafford M. Smith

Date Served: 05/01/90