

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

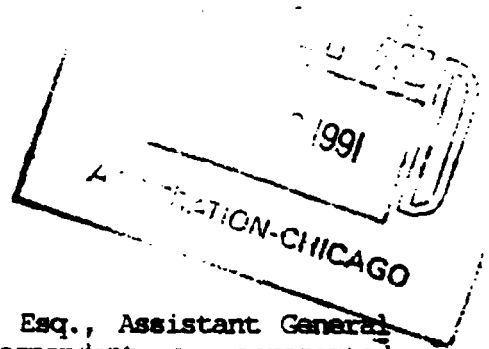
Name of Claimant(s)

J.C. Bradford & Co. et al.

89-02165

Name of Respondent(s)

Ival Goldstein



REPRESENTATION OF PARTIES

Claimants were represented by James T. Ritt, Esq., Assistant General Counsel for J.C. Bradford, Nashville, Tennessee. Respondent was represented by Marvin Berke, Esq. of Berke, Berke & Berke, Chattanooga, Tennessee.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. ("NASD") on or about July 31, 1989, Claimants J.C. Bradford & Co. and J.C. Bradford Futures, Inc. ("J.C. Bradford") alleged that Respondent Ival Goldstein ("Goldstein") incurred a debit balance in his commodities and securities accounts on October 19, 1987. J.C. Bradford alleged that Goldstein has refused to pay these debit balances despite the contractual provisions of Goldstein's account documents which require him to do so.

In a statement of answer filed with the NASD on or about January 26, 1990, Goldstein denied that the monies were due to J.C. Bradford and alleged that he had little knowledge of what was transpiring in his account. Goldstein also alleged that he was never informed as to the risks that were being taken by his broker. Goldstein asserted a counterclaim in which he alleged that J.C. Bradford made unsuitable purchases and trades for Goldstein in violation of the "know your customer rules" of the NASD, NYSE and the American Stock Exchange. Additionally, Goldstein alleged that J.C. Bradford breached its fiduciary duty to Goldstein by failing to place proper stop loss orders in Goldstein's account and by purchasing speculative investments for his account.

J.C. Bradford did not file a written reply to the counterclaim.

RELIEF REQUESTED

J.C. Bradford requested damages of \$147,745.60 plus interest for the debit balance in Goldstein's commodities account and \$58,141.60 plus interest for the debit balance in Goldstein's securities account. Goldstein requested dismissal of the claim plus a recovery on his counterclaim of all losses he sustained.

OTHER ISSUES

At the hearing on April 17, 1991, Goldstein by and through his attorneys asserted a motion to dismiss the arbitration proceeding pursuant to Section 16 of the NASD Code of Arbitration Procedure. The panel heard argument on the motion, denied it and proceeded with the arbitration.

AWARD

The Chair participated in a one (1) session pre-hearing conference with both counsel on April 10, 1991 and made certain rulings on discovery. Thereafter, on April 17, 18 & 19, 1991 in Nashville, Tennessee during a hearing lasting a total of six (6) sessions, the undersigned arbitrator(s) heard the controversy between the parties as set forth in submissions to arbitration signed on July 11, 1989 by R. Patrick Shepherd on behalf of Claimants J.C. Bradford & Co. and J.C. Bradford Futures, Inc.

Respondent Ival Goldstein did not file with the NASD a properly executed submission to arbitration but was required to submit to arbitration pursuant to a Court Order dated June 28, 1989, and issued by the United States District Court for the Middle District of Tennessee, Nashville Division. Additionally, since Goldstein answered the claim and appeared and testified at the hearing, is bound by the determination of the arbitration panel on all issues submitted.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with the NASD.

After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

J.C. BRADFORD'S CLAIM

1. Goldstein is liable to J.C. Bradford for the debit balance in his accounts in the sum of \$244,000.00;

GOLDSTEIN'S COUNTERCLAIM

2. J.C. Bradford is liable to Goldstein in the sum of \$344,000.00;

3. Therefore, the net award is that J.C. Bradford is liable for and shall pay to Goldstein the sum of \$100,000.00 in full satisfaction of Goldstein's counterclaim;

4. The parties shall each bear their respective costs, expenses and attorney's fees incurred in this matter; and

5. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee and the hearing session deposit in the amount of \$750.00 previously deposited with the NASD by the Claimant J.C. Bradford. Goldstein is assessed and shall pay to the NASD forum fees in the amount of \$2,625.00 and J.C. Bradford is assessed and shall pay to the NASD additional forum fees of \$1875.00.

Dated: July 3 1991

Panel Members Concurring

George A. Kasserman Jr.
George Kasserman
Presiding Chair
Public Arbitrator

Dated: _____

Thomas Yount
Thomas Yount
Public Arbitrator

Dated: _____

Doug Phillips
Doug Phillips
Industry Arbitrator

Date Served: _____

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Panel Members Concurring

Dated: _____

George Kasserman
Presiding Chair
Public Arbitrator

Dated: 7.26.91

Thomas L. Yount
Thomas Yount
Public Arbitrator

Dated: _____

Doug Phillips
Industry Arbitrator

Date Served: _____

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Panel Members Concurring

Dated: _____

George Kasserman
Presiding Chair
Public Arbitrator

Dated: _____

Thomas Yount
Public Arbitrator

Dated: 7-8-91

W. Douglas L. Phillips
Doug Phillips
Industry Arbitrator

Date Served: _____