

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

: In the Matter of the Arbitration Between :
: :
: Bennett Mostel :
: Claimant : CASE# 89-03040
: vs. : AWARD
: :
: Beuret & Company, Ltd. :
: Wall Street Clearing Co. :
: Respondents :

CASE SUMMARY

Claimant alleges that Respondents failed to execute sell orders for warrants of Med Master Systems, Inc. as instructed in order to meet margin requirements. Claimant further alleges that Respondents also held positions in Med Master's and refused Claimants orders to avoid losses to themselves in securities which were relatively thinly-traded in the over-the-counter market. Respondent Wall Street Clearing Co. denies ever receiving instructions to sell. Respondent Wall Street Clearing Co. also contends that since Claimant was a broker for Beuret & Company, Ltd. and was seeking to have Beuret & Company, Ltd. take his shares into the proprietary account. Wall Street Clearing Co. had no duty to violate Federal Reserve Board Regulations by allowing the increased positions. Further, pursuant to Claimants agreements with Wall Street Clearing Co. they had no obligation as to trade execution.

RELIEF REQUESTED

Claimant originally sought restitution of the value of his accounts at January 20, 1988 of \$268,662 together with interest but amended that amount to \$245,027.00, plus \$1,000,000.00 in exemplary damages, plus attorneys fees and costs. Respondent Wall Street Clearing Co. seeks dismissal, costs and attorneys' fees.

AWARD

On June 28, August 9 and 13, 1990 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on October 26, 1989 and by Respondent Wall Street Clearing Co. on January 12, 1990 and not signed by Respondent Beuret & Company, Ltd. The hearing was held at the offices of the National Association of Securities Dealers, Inc. located in New York, NY and consisted of five (5) hearing sessions. 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. Claims against Wall Street Clearing Co. be and hereby are dismissed in all respects.
2. Respondent Beuret & Company, Ltd. be and hereby is liable and shall pay to the Claimant the sum of Thirty Six Thousand Dollars and Zero Cents (\$36,000.00) in compensatory damages, plus interest at the rate of 9% from the date of this award.
3. All claims for exemplary damages are denied.
4. The parties shall each bear their respective costs, including attorney's fees.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$750.00 of the filing fee previously deposited by the Claimant and assess the \$250.00 unpaid balance, and assess an additional \$4,000.00 against Wall Street Clearing Co. and Beuret & Company, Ltd. jointly and severally, which shall be made payable to the National Association of Securities Dealers, Inc. to represent forum fees.

CONCURRING ARBITRATORS



Prof. Constantine M. Katsoris



Deborah Sherman, Esq.



Victor Alvarez

DATED:

Oct. 29, 1990