

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Robert L. Frizzell, M.D.,
Trustee, Frizzell Family Trust
Claimant

AWARD

vs.

NASD #90-01884

P.B. Jameson & Co., Inc.
Michael Langheinrich and
Russell Haden
Respondents

REPRESENTATION

Claimant, Robert L. Frizzell, M.D., Trustee, was represented by Robert L. Frizzell. Respondents P.B. Jameson & Co., Inc. and Russell Haden were represented by Russell Haden. Respondent Michael Langheinrich represented himself.

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on July 9, 1990. Claimant opened his account with Respondents by telephone in August 1987 and purchased penny stocks in four companies. Claimant alleged that Respondents made unauthorized purchases and sales in his account, that Respondents failed to have the stock certificates sent to Claimant in accordance with his instructions, and that Respondents failed to supervise the broker and the activity in the account. Claimant further alleged that his account was wiped out with the explanation that it was an error of the clearing house.

Respondents denied the allegations and maintained that all transactions in the account were pursuant to orders placed by Claimant, and that no certificates were sent to Claimant because all securities were liquidated in the account due to violations of Regulation T of the Federal Reserve Board. Respondents asserted a counterclaim and alleged that through continued abuse and violation of Regulation T, Claimant caused losses to his account in excess of his deposits which resulted in a charge back to the account executive.

DAMAGES AND RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$8,587.50, interest as provided by law, and unspecified punitive damages.

Respondents requested dismissal of the claim and an award of compensatory damages in the amount of \$2,300.90.

DAMAGES AND RELIEF AWARDED

On June 12, 1991 the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on October 16, 1990 and by Respondents Russell Haden and Michael Langheinrich on April 2, 1991. Respondent P.B. Jameson & Co., Inc. did not file a submission agreement but is subject to the jurisdiction of this arbitration pursuant to Sections 1 and 12 of the Code of Arbitration Procedure.

The hearing was conducted in Los Angeles, California and lasted one (1) session. The arbitrator, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted as follows:

1. All claims are denied for failure to sustain the burden of proof.
2. The counterclaim is denied.
3. The parties shall each bear their respective costs including attorneys' fees.
4. In accordance with Section 43 of the NASD Code of Arbitration Procedure the NASD shall retain the \$275 filing fee previously deposited by the Claimant.

OTHER ISSUES

None.

DATE SERVED: 07/01/91


Edward T. Swanson, Esq.