

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

Lea Smith Johnson and :
Glenn Johnson, JT/WROS :

Claimants :

vs. :

Karl Tarbox :

Respondents :

CASE #90-02713
AWARD

CASE SUMMARY

Lea Smith Johnson and Glenn Johnson, in a claim filed with the National Association of Securities Dealers, Inc. on October 1, 1990, alleged that Respondent, Karl Tarbox, an agent at the Miami office of Blinder, Robinson & Co., Inc., executed unauthorized trades in their account and failed to close said account as requested, continuing to hold all money to date. The trades in question were for sales of Acclaim stock and the purchase of L Rex International, Inc.


Respondent, Karl Tarbox, maintained that there were no unauthorized trades in Claimant's account, that the Acclaim purchase was authorized, that the Acclaim sell was authorized and the purchase of L Rex was also authorized. He continues that he mistakenly sold one hundred shares too many of the Acclaim Entertainment stock and that the "buy-in" was corrected at his expense.

Respondent, by a letter dated June 1, 1990, states that when SIPC seized control of Blinder, Robinson & Co., Inc., they seized records pertinent to this case; namely

1. his manager's testimony that Mrs. Johnson called him to request a sale of Acclaim Entertainment;
2. his commission record showing that he paid the penalty for the double sell of Acclaim and that the client made money;
3. a new account card signed by Claimants which states that "Growth with Risk" was an investment objective.

AFFIRMATION

I, GREGORY C. YADLEY, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATED: August 14, 1991
EXECUTED

Claimants reply that "Growth with Risk" was never marked on their account form as they were instructed by Mr. Tarbox to leave it blank. They state that they did not authorize a purchase of RX International nor were they ever given any information about RX International, that they did not "make money" and that notices received from Colorado were all unauthorized actions except the original purchase and the final sale of Acclaim.

RELIEF REQUEST

Claimants request damages of Nine Hundred Forty-Seven Dollars and Fifty Cents (\$947.50) plus punitive damages of Two Hundred Dollars and No Cents (\$200.00) and Two Hundred Fifty Dollars and No Cents (\$250.00) for pain and suffering.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Gregory C. Yadley, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on September 19, 1990 and by the Respondent on February 6, 1991;

And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. That the Respondent, Karl Tarbox, is liable and shall pay to the Claimants, Lee Smith Johnson and Glenn Johnson, the sum of Nine Hundred Forty-Seven Dollars and Fifty Cents (\$947.50).
2. That Claimant's request for punitive damages be, and hereby is, dismissed.
3. That Claimant's request for compensation for pain and suffering be, and hereby is, dismissed.
4. The Fifty Dollars and No Cents (\$50.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc. and is assessed against the Respondent, Karl Tarbox, who shall pay Fifty Dollars and No Cents (\$50.00) to the Claimants, Lea Smith Johnson and Glenn Johnson.