

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between :  
: Bateman Eichler, Hill Richards, Inc. :  
: Claimant :  
vs. :  
Paul Justi :  
Respondent :  
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CASE #90-03181  
AWARD

CASE SUMMARY

Bateman Eichler, Hill Richards, Inc., in a claim filed with the National Association of Securities Dealers, Inc. by Brian K. Lowe, Associate Vice President of Bateman Eichler, Hill Richards, Inc. on November 9, 1990, alleged that Respondent and public customer, Paul Justi, failed to complete payments on a Promissory Note signed to repay a debit balance in his margin account.

Pro Se Respondent, Paul Justi, failed to answer the original service of the Claim on December 11, 1990 but on July 15, 1991 did respond to a re-service of the Statement of Claim served on him June 5, 1991 as evidenced by the return of a signed, dated certified mail green card. Mr. Justi maintained that the purchase of Valley Federal Savings & Loan stock was solicited by Claimant's broker Kerry Day. He continues that Bateman Eichler, Hill Richards, Inc. started liquidating stock he had built up to cover the drop in the stock. He states that as a small investor, he lacked sophistication and was surprised by the complete liquidation of his account. He confirms that he signed a promissory note for the loss in his account, that he made a few payments and then felt he was totally manipulated and should not have to pay. Mr. Justi alleges that Kerry Day confirmed that Bateman Eichler, Hill Richards, Inc. had a research report at the time of the buy recommendation that stated Valley Federal was a very weak position. He alleges negligence by Claimant and asks for compensation for the amount in his account that was liquidated.

RELIEF REQUEST

Claimant requests Five Thousand Nine Hundred Thirty-One Dollars and Ninety-Three Cents (\$5,931.93) in damages plus legal interest and costs of collection.

Respondent requests compensation for the amount liquidated from his account.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a ~~single~~ Public Arbitrator, Joseph J. Aron, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on October 31, 1990 but not by the Respondent, Paul Justi, as required by Section 13(d) of the Code of Arbitration Procedure.

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, Paul Justi, is liable and shall pay to the Claimant, Bateman Eichler, Hill Richards, Inc., the sum of Seven Thousand One Hundred Eighteen Dollars and No Cents (\$7,118.00) reflecting actual damages, interest and costs.
2. The Five Hundred Seventy-Five Dollars and No Cents (\$575.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. and is assessed against the Respondent, Paul Justi, who shall pay Five Hundred Seventy-Five Dollars and No Cents (\$575.00) to the Claimant, Bateman Eichler, Hill Richards, Inc.
3. That the request of Respondent Paul Justi for compensation for liquidations in his account is denied.

AFFIRMATION

I, JOSEPH J. ARON, 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.

  
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Signature of Arbitrator

Executed  
DATED:

*Aug 12, 1991*