

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	:	
	:	
Anthony Perrotti, Ind. and as Trustee	:	
Claimant	:	
vs.	:	Case #90-03547
	:	Award
Crowell, Weedon & Co. and	:	
Steven A. Housman	:	
Respondents	:	

CASE SUMMARY

Anthony Perrotti, individually and as Trustee, in a claim filed with the National Association of Securities Dealers, Inc. by Michael L. Paul of Investors Arbitration Services, Woodland Hills, CA., on December 14, 1990, alleged that his broker at Crowell, Weedon & Co., Steven A. Housman, misrepresented and recommended unsuitable stocks for his account. In addition, Claimant contends that Crowell, Weedon & Co. were negligent in their supervision of Mr. Housman and that Claimant was pressured into investing in a highly speculative stock that was contrary to his investment objectives.

Respondents, in a joint Statement of Answer filed by D.A. Bonet, a partner in Crowell, Weedon & Co. maintained that Claimant was an informed investor who decided to purchase the stock in question and understood the risk/reward factor in all investments. Respondent Housman denies telling Claimant that the stock was "like a bond" and Respondent Crowell, Weedon & Co. state that they maintain adequate and reasonable supervision over their employees. Claimant replies that he did write letters of complaint to the Respondents and that the recommendation to purchase Eastern Airlines Preferred stock was clearly made by the Respondents. He states that he never owned or purchased any Lockheed bond and never had an account with Bank of America.

RELIEF REQUESTED

Claimant requests compensatory damages of Nine thousand three hundred thirty eight dollars and No Cents (\$9,338.00), rescission of the transactions alleged as unsuitable, return of the principal amount deposited in said investments, costs incurred by Claimant, interest of ten percent per annum on projected earnings, consulting fees and return of the NASD fees.

AWARD

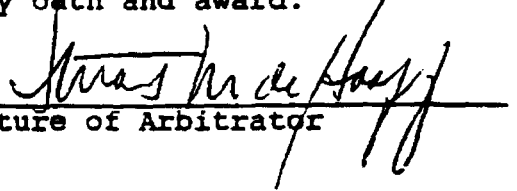
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public arbitrator, Stuart M. de Haaff, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on December 7, 1990 and by the Respondents on February 27, 1991 and February 14, 1991, respectively;

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 Respondents, Crowell, Weedon & Co. and Steven A. Houseman, are jointly and severally liable and shall pay to the Claimant, Anthony Perrotti, individually and as Trustee, a total of Ten thousand Five hundred Dollars (\$10,500.00) in damages including interest.
2. That Claimant's request for the rescission of the transactions in question be, and hereby is, denied.
3. That Claimant's request for consulting fees be and, hereby is, denied.
4. The parties shall bear their respective costs including attorney's fees.
5. The One hundred Fifty Dollars and No Cents (\$150.00) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant is assessed jointly and severally against the Respondents and payable by Crowell, Weedon & Co. and Steven A. Houseman to the Claimant, Anthony Perrotti.

AFFIRMATION

I, Stuart M. de Haaff, 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: May-30, 1991