



Arbitration

National Association of
Securities Dealers, Inc.
NASD Financial Center
33 Whitehall Street
New York, New York 10004

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

David Schneider

91-00148

Name of Respondent

Schonfeld Securities, Inc.

REPRESENTATION

For Claimant: Eric H. Moss, Attorney at Law.

For Respondent: Bill T. Singer, Esq. of the firm Noah, Singer, Sayid & DiBartolo.

CASE INFORMATION

Statement of Claim filed: January 11, 1991.

Amended Statement of Claim filed: July 30, 1991.

Claimant David Schneider's ("Claimant") Submission Agreement signed on: January 7, 1991.

Statement of Answer filed by Respondent, Schonfeld Securities, Inc. ("Respondent") on: April 19, 1991.

Respondent's Submission Agreement signed on: May 19, 1991.

HEARING INFORMATION

Hearing Dates/Sessions: August 27, 1991 - one session
October 29, 1991 - two sessions

Hearing Location: NASD Office, New York City

CASE SUMMARY

Claimant alleged that during the nine month period that his account was with Respondent that Respondent through its registered representative, Steven Mednick ("Mednick") conducted excessive trades in Claimant's account without the authority to place these trades. Claimant alleged that Respondent charged him excessive commissions. Claimant alleged that such trading amounted to churning his account. Claimant alleged that Mednick controlled his account and that Respondent and Mednick traded Claimant's account for their benefit to Claimant's financial detriment. Claimant alleged that Respondent engaged in a pattern of racketeering with Mednick that violated the securities laws and the Racketeer Influenced and Corrupt Organization Act ("RICO").

Respondent alleged that Claimant's investment objective was short term capital gains which required a lot of "in and out" trading. Respondent maintained that this investment strategy was employed by Claimant. Respondent maintained that Claimant controlled his account. Respondent maintained that Claimant and Mednick were in constant communication with one another. Respondent maintained that Claimant was aware of the number of trades that he was conducting in his account but never expressed concern for the volume of trading. Respondent denied the allegation of churning. Respondent denied that Claimant was charged excessive commissions. Respondent denied that Claimant's account was either a de jure discretionary account or a de facto discretionary account and maintained that all trades were authorized by Claimant. Respondent denied any violations of the securities laws or of RICO.

RELIEF REQUESTED

Claimant requested: Compensatory damages in the amount of \$35,124.69, punitive damages in an amount to be determined by the panel, RICO damages in the amount of \$105,374.07, interest on all damages, along with all costs and attorneys' fees.

Respondent requested: that the panel dismiss Claimant's Statement of Claim and that the panel award Respondent costs and disbursements including attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

The panel considered Respondent's Motion to Preclude Claimant's Amended Statement of Claim and denied that motion on August 14, 1991.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the original(s) remain on file with the NASD.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. That Respondent is liable to Claimant and shall pay to the Claimant compensatory damages in the sum of TWELVE THOUSAND FOUR HUNDRED NINETY-FOUR AND 00/100 DOLLARS (\$12,494.00); plus pre-judgment interest in the amount of \$750.
2. That Respondent is liable to the Claimant and shall pay to the Claimant punitive damages in the amount of FIVE THOUSAND AND 00/100 DOLLARS (\$5,000.00); no interest is awarded on this amount.
3. Claimant's claim for RICO or treble damages is denied in its entirety.
4. That each party shall bear their own costs, including attorneys' fees.
5. That post-judgment interest at the rate 9% simple interest per annum shall start to run on December 15, 1991 until the date the award is paid.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed:

That Claimant shall bear the cost of the forum fees for the August 27, 1991 hearing and that the parties shall split the forum fees for the two hearing sessions conducted on October 29, 1991.

Therefore Claimant shall pay to the NASD, Inc. the sum of \$1,150 which reflects the hearing session fees of \$1500 owed by the Claimant minus the hearing session deposit of \$350 previously paid by the Claimant.

Respondent shall pay forum fees in the amount of \$750 to cover its share of the hearing session fees incurred October 29, 1991.

Fees are payable to the National Association of Securities Dealers, Inc.

Concurring Arbitrators' Signatures
Name

Deborah Sherman
Deborah Sherman, Esq.

Public/Industry

public

Date of Decision: _____

DATED: December 10, 1991

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

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Concurring Arbitrators' Signatures

Name


Charles E. Walsh

Public/Industry

Public Arbitrator

Date of Decision: _____

DATED: December 10, 1991

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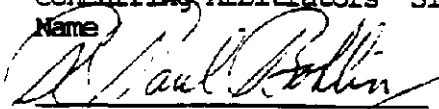
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Concurring Arbitrators' Signatures

Name


R. Paul Bohlin

Public/Industry

Industry Arbitrator

Date of Decision:

12/2/91

DATED: December 10, 1991