

N.A.S.D. AWARD

Arbitration

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of  
Securities Dealers, Inc.  
One East Broward Boulevard  
Suite 1000  
Ft. Lauderdale, Florida 33301  
(305) 522-7391

In the Matter of the Arbitration Between

Name of Claimant

Amelia Mayer

Name of Respondents & Third-Party Claimants

91-01035

Prescott, Ball & Turben, Inc.  
Gulstream Financial Associates

Third-Party Respondent

Jeffrey Lieungh

REPRESENTATION

For Claimant: Alfred A. LaSorte, Jr., Esq. of Alfred A. LaSorte, Jr., P.A.

For Respondents, Prescott, Ball & Turben, Inc. ("Prescott") and Gulstream Financial Associates ("Gulstream"), Ronald Shindler, Esq.

For Third-Party Respondent, Jeffrey Lieungh, ("Lieungh"), Martin A. Feigenbaum, Esq.

CASE INFORMATION

Statement of Claim filed: 4/3/91.

Claimant's Submission Agreement signed on: 3/26/91.

Statement of Answer (joint) of Prescott and Gulstream received on: 7/15/91

Submission Agreement of Respondent, Prescott, signed on: 6/9/92

Statement of Answer Respondent, Lieungh, filed on: 3/13/92

Submission Agreement of Respondent, Lieungh, signed on: 3/13/92

HEARING INFORMATION

Hearing Dates/Sessions: 6/9/92 - Two (2) Sessions.  
6/10/92 - Two (2) Sessions.

Hearing Location: Fort Lauderdale, Florida

WARD-#91-01035

CASE SUMMARY

Claimant, Anelia Mayer alleged that she is an elderly woman who does not speak english and who resides in Europe and that in 1989 she opened several accounts at Gulfstream (the details of which were handled by her daughter, Linda Mayer, who resides in Florida and speaks fluent english). Claimant alleged that the account executive assigned to handler her account, Jeffrey Lieungh, was instructed that her investment goals were safety of principal and income and in that order. Claimant stated that in direct contravention of her investment objectives and against the instructions of her daughter, Linda Mayer, Respondent, Lieungh began executing speculative and unsuitable trading in Claimant's accounts which resulted in significant losses to Claimant.

Respondents, Gulfstream and Prescott denied all allegations of wrongdoing and further asserted a Third-Party Claim against Lieungh. They maintained that the money deposited into the account in Claimant's name were the funds of her daughter, Linda Mayer, who was using an account in the name of her mother in an effort to avoid U.S. taxation and that Claimant's account was never assigned to Third-Party Respondent, Lieungh, but that Linda Mayer was referred to Lieungh by her wealthy boyfriend who was extremely experienced and knowledgeable in securities and who was a successful businessman. Respondents, Gulfstream and Prescott further maintained that Linda Mayer did not instruct Lieungh that the investment goals for her account were safety of principal and income but that the funds in the account were those of Linda Mayer and not Claimant's and that the true investment objectives of the account were to make as much money as possible. Respondents, Gulfstream and Prescott stated that Linda Mayer directed all transactions and was aware at all times of the activity in her account, that Linda Mayer spoke to Lieungh about her account on a regular basis and visited him in his office, that she received copies of monthly statements and information for her account which further advised her of the nature of the activity in her account. Respondents, Gulfstream and Prescott stated that they asserted a Third-Party Claim against Lieungh because, in the event that there is any finding of liability on their part, then such liability is based upon the acts of Lieungh.

Third-Party-Respondent, Lieungh denied all allegations made against him by Respondents-Third-Party Claimants, Gulfstream and Prescott to the extent that such allegations constitute assignment of any legal liability to him whatsoever relating to the underlying Claim of the Claimant. Lieungh maintained that he faithfully and properly discharged all duties and responsibilities required of him in relation to the Claimant and Respondent, Gulfstream which included abiding by the rules in effect of any self-regulatory organization governing his conduct as well as applicable state and federal law. Lieungh further maintained that Third-Party Claimants, Gulfstream and Prescott failed to state a cause of action against him.

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RELIEF REQUESTED

Claimant requested an award of damages in excess of \$30,000.00 plus interest treble damages, punitive damages, costs and attorneys' fees.

Respondents and Third-Party Claimants, Gulfstream and Prescott requested dismissal of the Claim as well as relief on their Third-Party Claim against Lieungh, including costs expenses and attorneys' fees.

Third-Party Respondent, Lieungh requested dismissal of the Third-Party Claim asserted against him.

OTHER ISSUES CONSIDERED & DECIDED

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 originals remain on file with the NASD.

AWARD

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

1. Respondents, Gulfstream and Prescott are found not liable and, therefore, all claims against them are hereby dismissed;
2. Third Party Respondent, Lieungh, is found not liable and therefore the Third-Party Claim against him is hereby dismissed;
3. Claimant's Claims for punitive damages and treble damages are hereby dismissed;
4. Each party shall bear its own costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the arbitrators have assessed forum fees in the amount of \$3,000.00 (Four (4) Sessions X \$750.00).

Claimant is hereby assessed forum fees in the amount of \$3,000.00 for which the NASD shall retain the \$750.00 hearing session deposit previously deposited by Claimant and the \$600.00 hearing session deposit previously deposited by Respondents, Third Party Claimants, Prescott and Gulfstream, leaving a balance due to the NASD of \$1,650.00. Claimant shall pay directly

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to Respondents, Third Party Claimants, Prescott and Gulfstream, the \$600.00 hearing session deposit previously deposited by them.

The NASD, Inc. shall retain the non-refundable filing fees previously deposited by both the Claimant and Third-Party Claimants.

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

**ARBITRATION PANEL**

**Concurring Arbitrators' Signatures**

/s/

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Monica I. Salis, Esq.  
Public/Chairperson

/s/

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Daniel Goodrum  
Public/Panelist

/s/

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John M. Eadie  
Industry/Panelist

Date of Decision: July 23, 1992