



N.A.S.D. AWARD

Arbitration

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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

In the Matter of the Arbitration Between

Name of Claimant

Herbert Rechter

91-01557

Name of Respondents

Oppenheimer & Co., Inc.  
Warren K. Hayes

REPRESENTATION

For Claimant Herbert Rechter ("Claimant"): David M. Foster, a sole practitioner.

For Respondent Oppenheimer & Co., Inc. ("Oppenheimer") and Warren K. Hayes ("Hayes"): Joseph C. Pickard of Oppenheimer.

CASE INFORMATION

Statement of Claim filed: May 10, 1991.

Claimant's Submission Agreement signed on: May 8, 1991.

Joint Statement of Answer filed by Respondents on: August 12, 1991.

Respondent Oppenheimer's Submission Agreement signed on: August 12, 1991.

Respondent Hayes did not sign a Submission Agreement pursuant to Section 12 of the Code of Arbitration Procedure. However, Hayes stated on the record that he appeared voluntarily and would be bound by this panel's rulings and determinations.

HEARING INFORMATION

Hearing Dates/Sessions: January 8, 1992/2 sessions

January 9, 1992/2 sessions

Hearing Location: Southfield, MI.

CASE SUMMARY

Claimant alleged he executed a discretionary trading agreement with Oppenheimer. Claimant alleged that the purchase of non investment grade bonds by Hayes was an unsuitable investment for Claimant. Finally, Claimant alleged Oppenheimer did not properly supervise Hayes.

Respondents alleged Claimant was actively involved in trading the account and that the investments were suitable for Claimant.

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#91-01557RELIEF REQUESTED

Claimant requested: actual damages in the amount of \$273,301.24 which should be trebled to \$819,903.72; punitive damages in the amount of \$819,903.72; exemplary damages in an amount in excess of \$10,000.00; and attorneys' fees.

Respondents requested: the Statement of Claim be dismissed; costs & disbursements.

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.

- 1- The claimant Yvonne J. Rechter withdrew her claim voluntarily at the hearing;
- 2- Pursuant to the by-laws of the NASD, the panel determined that Respondent Hayes was required to submit to this arbitration and, therefore, was bound by this panel's rulings and determinations

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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- The claims of the Claimant, Herbert L. Rechter are dismissed;
- 2- All other claims are dismissed;
- 3- The parties shall each bear their own costs, including attorneys' fees.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD shall retain the \$250.00 non-refundable filing fee previously deposited by Claimant and the following Forum Fees are assessed.

4 sessions X \$1,000.00 = \$4,000.00

Forum fees Assessed Against:

- 1- Respondent, Oppenheimer, in the amount of \$4,000.00. However, Oppenheimer shall reimburse Claimant the sum of \$1,000.00 to represent the hearing session deposit previously deposited by Claimant with the NASD.

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Therefore, the amount due and owing to the NASD equals \$3,000.00.

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

Concurring Arbitrators' Signatures



Barry Goldman/Public Arbitrator

Dated: January 30, 1992

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Therefore, the amount due and owing to the NASD equals \$3,000.00.

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

Concurring Arbitrators' Signatures

 - ~~1992~~ Executed  
D. Michael Kratchman/Public Arbitrator

Dated: January 30, 1992

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Therefore, the amount due and owing to the NASD equals \$3,000.00.

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

Concurring Arbitrators' Signatures

Frank G. Bank  
Frank G. Bank/Public Arbitrator

Dated: January 30, 1992