

N.A.S.D. AWARD**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the Matter of the Arbitration Between**Name of Claimants****James A. Strasbourger
Stephanie D. Kohan****91-01567****Name of Respondents****Wellington Financial Group, Inc.
Meridian Associates, Inc.**

REPRESENTATION**For Claimants: Clarence R. Saccardi, Esq.****For Respondents: James B. Rosenthal, Esq. of the law firm of Arent, Fox,
Kinter, Plotkin & Kahn.****CASE INFORMATION****Statement of Claim filed on: May 20, 1991.****Claimants' Submission Agreement signed on: May 8, 1991.****Power of Attorney signed on: April 30, 1991.****Statement of Answer filed by Respondent Meridian Associates, Inc. on:
August 14, 1991.****Respondent Meridian Associates, Inc.'s Submission Agreement signed on:
August 12, 1991.****Statement of Answer of Respondent Wellington Financial Group, Inc. submitted.****Respondent Wellington Financial Group, Inc.'s Submission Agreement signed on:
September 17, 1991.**

HEARING INFORMATION

Hearing Dates/Sessions: December 13, 1991, 2 Sessions.

Hearing Location: NASD offices located in Washington, DC.

CASE SUMMARY

Claimants alleged that Respondents made misrepresentations to the Claimants, churned Claimants' account, executed unauthorized trades in Claimants' account; engaged in unauthorized gambling in Claimants' account, failed to properly supervise its employees and further alleged Respondents did not have a right to debit the net loss in Claimants' account against the \$20,000.00 original investment.

Respondent Meridian Associates, Inc. maintained Claimants were fully advised and understood the risks associated with options transactions in their account; Claimants expressly ordered, approved, participated and ratified the acts and transactions that are complained of; Claimants' losses were proximately caused by their own decisions and conduct and not by any actions or inactions on the part of Respondents and were caused by market conditions beyond Respondents' control. Respondent Meridian Associates, Inc. further maintained the account was traded within the parameters understood by, agreed upon and directed by Claimants and Respondent Meridian Associates, Inc. properly fulfilled all supervisory duties and the account was handled in a proper manner, consistent with the stated investment goals and objectives of Claimants.

Respondent Wellington Financial Group, Inc. maintained that the risks associated with trading options were thoroughly and explicitly discussed with Claimants on several occasions and were clearly understood before any trading commenced; the account was traded within the parameters understood by, agreed upon and directed by Claimants; Claimants were informed of the specifics of all transactions recommended, concurring prior to any trade executions; there was no lack of supervision and the account received proper authorization to trade options.

RELIEF REQUESTED

Claimants requested damages of \$14,365.29, plus interest and reasonable attorneys' fees.

Respondent Meridian Associates, Inc. requested dismissal of all claims and that the costs of the arbitration, including attorneys' fees be assessed against the Claimants.

Respondent Wellington Financial Group, Inc. requested dismissal of all claims and that the costs of the arbitration, including attorneys' fees be assessed against the Claimants.

AWARD

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

1. The Respondents Wellington Financial Group, Inc. and Meridian Associates, Inc. be and hereby are liable jointly and severally and shall pay to the Claimants the sum of \$11,500.00, interest specifically excluded.
2. Each party shall bear their respective costs, including attorneys' fees.

FORUM FEES

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

\$400.00 X 2 Sessions = \$800.00 minus hearing session deposit of
\$400.00 = net \$400.00 due.

The Respondents Wellington Financial Group, Inc. and Meridian Associates, Inc. be and hereby are liable jointly and severally and shall pay to the NASD the sum of \$400.00 to represent forum fees.

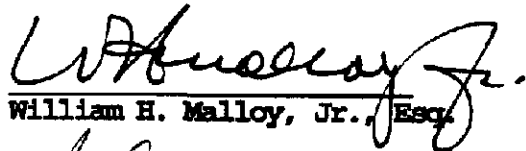
The NASD shall retain the \$100.00 claim filing fee previously deposited by the Claimants.

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

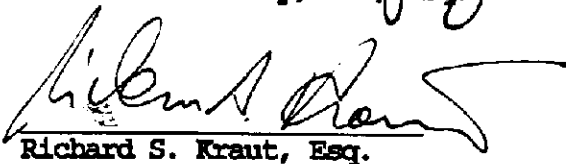
CONCERNING ARBITRATORS' SIGNATURE

Name

Public/Industry


William H. Malloy, Jr., Esq.

Public Arbitrator


Richard S. Kraut, Esq.

Public Arbitrator


K. Douglas Potter

Industry Arbitrator

Date of Decision: February 7, 1992