

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Allison West

91-02295

Name of Respondents

Oppenheimer & Co., Inc.
Susan Chalom
Thomas Jackson

REPRESENTATION

For Claimant: Gerry E. Feinberg of the law firm of Bower & Gardner.

For Respondents Oppenheimer & Co., Inc. and Susan Chalom: John T. McGuire, Esq.

The Respondent Thomas Jackson did not attend the hearing.

CASE INFORMATION

Statement of Claim filed: October 3, 1991.

Claimant's Submission Agreement signed on: July 5, 1991.

Respondent Thomas Jackson did not execute a Submission Agreement or file a Statement of Answer as required by Section 25 of the Code of Arbitration Procedure.

Joint Statement of Answer filed by Respondents Susan Chalom and Oppenheimer & Co., Inc.

Respondent Oppenheimer & Co., Inc.'s Submission Agreement executed on December 18, 1991.

Respondent Susan Chalom's Submission Agreement executed on January 28, 1992.

HEARING INFORMATION

Pre-Hearing Conference: June 23, 1992.

Hearing Date(s)/Sessions: July 13, 1992, 2 Sessions
 July 14, 1992, 2 Sessions
 August 10, 1992, 2 Sessions

Hearing Location: NASD offices located in New York City, New York.

CASE SUMMARY

Claimant alleged that she is an unsophisticated investor with no commodity or securities trading experience, who entrusted her inheritance to the Respondents who traded her account for the purposes of generating commissions. Claimant further alleged that Respondents, particularly Respondent Jackson, breached their fiduciary duty to Claimant by making fraudulent misrepresentations as to the nature of commodities trading and the risks involved in commodities trading; and failed to properly invest Claimant's monies in suitable investments. Claimant further alleged Respondent Oppenheimer & Co., Inc. violated a duty of care owed to Claimant in allowing her to open a discretionary commodities trading account; failed to properly supervise Respondents Chalom and Jackson in maintaining and trading Claimant's account and failed to properly review Claimant's account in accordance with Rule 405.

Respondents Oppenheimer & Co., Inc. and Chalom maintained claimant was made aware of the risks involved in commodities trading and investing in limited partnerships and fully assumed that risk; Claimant is negligent for any damages suffered by her as a result of these investments; Claimant ratified, accepted and acquiesced in the trading that resulted in the losses in the account and Claimant's claim is barred by the applicable statute of limitations and by the equitable doctrines of estoppel and laches and no misrepresentations were made to the Claimant by them.

RELIEF REQUESTED

Claimant requested damages in a sum not less than \$139,470, punitive damages in an amount to be determined by the arbitrators and such other damages as may be determined by the arbitrators together with interest thereon and reasonable attorney's fees incurred in connection with this arbitration and the costs and disbursements of the proceeding.

Respondents Oppenheimer & Co., Inc. and Susan Chalom requested that the matter be dismissed in its entirety with no award made to Claimant.

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. All claims with respect to the CETUS Limited Partnership investment are dismissed with prejudice.
2. All remaining claims against Respondent Thomas Jackson are dismissed without prejudice to the filing of a new action or proceeding against him as the arbitration panel determined he did not have notice of the claim against him.
3. All claims against Respondent Susan Chalom are dismissed with prejudice.
4. With respect to claims regarding the opening and trading of the commodities account, the Respondent Oppenheimer & Co., Inc. be and hereby is liable and shall pay to the Claimant the sum of \$15,000.00 inclusive of interest.
5. The Claimant's request for punitive damages is denied.
6. Each party shall bear their respective costs including attorneys' fees.

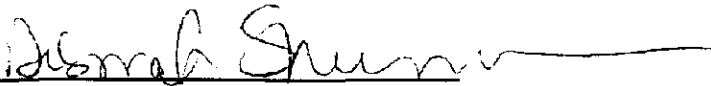
FORUM FEES


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

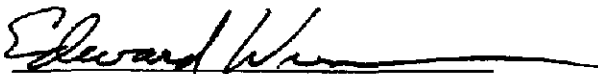
6 sessions x \$750.00 = \$4,500.00 plus pre-hearing conference (\$300.00) = \$4,800.00 minus hearing session deposit of \$750.00 = net \$4,050.00 due.

The Respondent Oppenheimer be and hereby is liable and shall pay to the NASD the sum of \$4,050.00 to represent forum fees the NASD shall retain the \$200.00 claim filing fee previously deposited by the Claimant.

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


Deborah Sherman, Esq.
Public Arbitrator


George J. Masumian
Public Arbitrator



Edward G. Werner, Esq.
Industry Arbitrator

Date of Decision: October 22, 1992

STATE OF: New York
COUNTY OF: New York

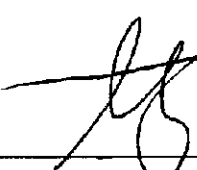
S.S.:

On this 21st day of September, 1992, before me personally appeared **Deborah Sherman, Esq.** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.


JOHN FRANCIS McMAHON
Notary Public, State of New York
No. 02-6586140
Qualified in New York County
Commission Expires Feb. 2, 1993 S.S.:

STATE OF: New York
COUNTY OF: ~~New York~~
WESTCHESTER


On this 15th day of October, 1992, before me personally appeared **George J. Masumian** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.


ANDREW REINHERTZ
Notary Public, State of New York
No. 4763355
Qualified in Westchester County
Term Expires Aug. 31, 1994

STATE OF: New York
COUNTY OF: New York

S.S.:

On this 8th day of October, 1992, before me personally appeared **Edward G. Werner, Esq.** known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.


CANDICE P. LANE
Notary Public, State of New Jersey
No. 2062789
Qualified in Bergen County
Commission Expires July 6, 1994