

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Christiane Jackson

Claimant

CASE #91-02588

AWARD

vs.

Bear, Stearns & Co., Inc.

David E. Kurland and

Gary Shemano

Respondents

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 20, 1991, Claimant, Christiane Jackson who appeared Pro Se, alleged that Respondent David E. Kurland failed to properly determine her investment objectives and recommended the purchase of 1,000 shares of 3CI, Inc. Claimant further alleged that Respondent, David E. Kurland misrepresented relevant facts about the 3CI, Inc. stock and severely mishandled her account relative to her investment objectives. Claimant contended that Respondent, David E. Kurland purchase an additional 2,000 shares of 3CI, Inc. without her authorization. Claimant further contended that Respondents, Bear, Stearns & Co., Inc. and Gary Shemano failed to supervise and monitor Mr. Kurland's activities in relation to her account, which, in turn, allowed Mr. Kurland to mishandle her account.

Respondents, Bear, Stearns & Co., Inc., David E. Kurland and Gary Shemano, by and through their in-house counsel, James M. Hubbert, Esq., maintained that Claimant, Christiane Jackson opened a brokerage account with Bear, Stearns & Co., Inc. and that the account was handled by David E. Kurland as account executive. Respondent, David E. Kurland further maintained that he determined that Claimant's investment objective was growth and income and recommended the purchase of 3CI, Inc. common stock. Respondent, David E. Kurland contended that he advised Claimant of all the risks associated with her purchase of the 3CI, Inc. Respondents, Bear, Stearns & Co., Inc., David E. Kurland and Gary Shemano further contended that Claimant was provided with the prospectus in connection with the 3CI, Inc. offering and that Claimant's failure to read the prospectus is not in any way the

fault or responsibility of Respondents. Respondents argued that Claimant directed, authorized, consented to and ratified all of the transactions in reference to this claim and therefore, they are not liable. Respondents, Bear, Stearns & Co., Inc and Gary Shemano further argued that they properly supervised Respondent, David E. Kurland and that all Respondents acted in good faith, with due diligence, reasonable care and without any intent to deceive or mislead the Claimant.

RELIEF REQUESTED

Claimant, Christiane Jackson requested \$9,166.60 in actual damages plus \$733.32 representing interest at the rate of 2% for four years.

Respondents, Bear, Stearns & Co., Inc., David E. Kurland and Gary Shemano requested the claim be dismissed in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, James M. Knowles was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on August 15, 1991, by Respondent Bear, Stearns & Co., Inc. on October 9, 1991 and not by Respondents, David E. Kurland and Gary Shemano as required by Sections 12 and 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

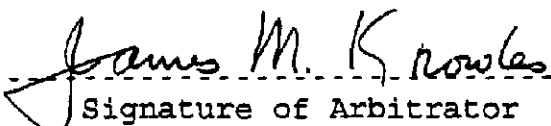
1. Respondents, Bear, Stearns & Co., Inc., David E. Kurland and Gary Shemano are jointly and severally liable and shall pay to the Claimant, Christiane Jackson the sum of \$1,735.75 in damages.
2. Respondents, Bear, Stearns & Co., Inc., David E. Kurland and Gary Shemano are jointly and severally liable and shall pay to the Claimant, Christiane Jackson simple interest at the rate of 5% per annum from February 27, 1987 to date of payment of the award.

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3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association for Securities Dealers, Inc. by the Claimant shall be retained by the National Association of Securities Dealers, Inc. Respondents, Bear, Stearns & Co., Inc., David E. Kurland and Gary Shemano are jointly and severally liable and shall pay \$150.00 to the Claimant as reimbursement.

AFFIRMATION

I, JAMES M. KNOWLES, do ehreby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: February 13, 1992