

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Deborah Covey

vs.

NASD #91-02687

Name of Respondents

Donaldson, Lufkin & Jenrette and
Si Timbrenn

REPRESENTATION

For Claimant: Robert J. Adolph, Esq., of Adolph & Smith, P.S., Seattle, Washington.

For Respondents: Michael Lawson, Esq., of Steefel, Levitt & Weiss, San Francisco, California.

CASE INFORMATION

Statement of Claim filed: August 29, 1991

Claimant's Submission Agreement signed: August 28, 1991

Statement of Answer filed by Respondents on: December 26, 1991

Respondents' Submission Agreements signed on: December 19, 1991

HEARING INFORMATION

Prehearing Conference(s) Date(s) Sessions: None

Hearing Date/ Sessions: May 22, 1992 (two sessions)
June 12, 1992 (two sessions)

Hearing Location: Seattle, Washington.

CASE SUMMARY

Claimant alleged violation of: Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, Section 17(a) of the Securities Act of 1933, (liability of controlling persons) RCW 21.20.430(1), (fraudulent sales of securities) RCW 19.86, et seq., (Consumer Protection Act) common law fraud, and the NASD Rules of Fair Practice in the purchase of stocks.

Respondents denied all substantive allegations of the statement of claim and alleged that claimant authorized all transactions, full disclosure was made and all transactions were suitable and consistent with her investment objectives as evidenced by other trading activity.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages according to proof;
2. Attorneys' fees and costs;
3. Exemplary damages; and
4. Such other relief as the panel deems appropriate.

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, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant is awarded the sum of \$25,414.00, apportioned as follows:

A. Respondents are jointly and severally liable and shall pay claimant the sum of \$14,000.00;

B. Respondent Donaldson, Lufkin & Jenrette (DLJ) is solely liable for and shall pay claimant an additional sum of \$11,414.00;

2. The claim for punitive damages is dismissed;
3. The parties shall each bear their respective costs including attorney's fees.
4. The members of the arbitration panel note in this award the poor judgment of all parties in managing this account.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc. shall retain the \$750 hearing session deposit previously deposited by the claimant. Forum fees assessed against:

Respondents for the amount of \$1,800.00 apportioned as follows:

A) Against Timbennen for \$810.00;

B. Against DLJ for \$990.00

calculated as follows: four hearing sessions times \$600.00/hearing session equals \$2,400.00, minus \$600.00 paid by claimant.

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

ARBITRATION PANEL

Name

Public/Industry

Concurring Arbitrators' Signatures

John A. Bender, Jr., Esq.

John F. Cockburn

Robert E. Mason

Public Arbitrator

Public Arbitrator

Industry Arbitrator



John A. Bender, Jr., Esq.

John F. Cockburn

Robert E. Mason

Date of Decision: _____