

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

John Ramiyak

vs.

91-02718

Name of Respondents

Bear Stearns & Co, Inc.
Steven Antebi

REPRESENTATION

For Claimant: Ann A. Anderson, Esq., Woodland Hills, California

For Respondents: Stephen Young, Esq. and Michele R. Fron, Esq., Keesal,
Young & Logan, Long Beach, California

CASE INFORMATION

Statement of Claim filed: August 30, 1991

Claimant's Submission Agreement signed on: August 22, 1991

Joint Statement of Answer filed by Respondents on: October 28, 1991

Respondents' Submission Agreements signed as follows:

Bear Stearns & Co., Inc: October 22, 1991

Steven Antebi: October 21, 1991

HEARING INFORMATION

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

Hearing Dates/Sessions: June 15, 1992 (two sessions)
June 16, 1992 (two sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged breach of fiduciary duty, fraud and misrepresentation, violation of Federal Securities Laws, violation of the Racketeer Influenced and Corrupt Organizations Act, and breach of contract with respect to Claimant's margin account number 033-38866.

Respondents denied Claimant's allegations of wrongful, improper, or actionable conduct and requested judgment be entered in Respondents' favor.

RELIEF REQUESTED

Claimant requested:

1. For \$38,867.00 representing the trading losses in the account;
2. For \$5,416.00 representing margin interest charged to Ramljak's account as a result of the trading;
3. For \$31,192.00 representing commissions known to have been charged as a result of churning Ramljak's account;
4. For treble damages and attorneys' fees under RICO;
5. For interest on the foregoing amounts at the legal rate of 10% per annum;
6. For costs incurred to get financing from friends and relatives due to the loss of the funds which Ramljak counted on;
7. For Ramljak's legal fees pursuant to account agreements he signed, pursuant to Civil Code Section 1717;
8. For punitive damages in the amount of \$300,000;
9. For costs of this proceeding; and
10. For such other and further relief as the arbitrators may deem 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 National Association of Securities Dealers, Inc. (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. All claims for compensatory damages by Claimant are dismissed.
2. Respondent Bear Stearns & Co., Inc. is solely liable for and shall pay to Claimant the sum of \$20,000 in punitive damages, pursuant to Hobbs v. Bateman Eichler, Hill Richards, Inc. (1985) 164 Cal.App.3d 174, 210 Cal.Rptr.

387, as a result of Bear Stearns & Co., Inc.'s failure to adequately supervise a statutorily disqualified broker.

3. The parties shall each bear their respective costs including attorneys' fees.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$750 hearing session deposit previously made by the Claimant as an assessment of forum fees for one session.

Forum fees are to be split between the parties and are calculated as follows:

Total fees assessed		
four sessions x 750/session	=	\$3,000
Claimant's share (50%)	=	\$1,500
Credit for hearing deposit	=	\$ 750
Balance due	=	\$ 750
Respondents share, jointly and		
severally (50%)	=	\$1,500
Balance due	=	\$1,500

National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Public/Industry

Public Arbitrator
Public Arbitrator
Industry Arbitrator

re


Michael W. Burnett, PhD

Date of Decision: 6/14/92