

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Winston E. Cochran

91-02737

Name of Respondents

Dominick & Dominick Incorporated  
James Glenn  
John Moysey

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REPRESENTATION

Claimant Winston E. Cochran ("Claimant") represented himself.

Respondents Dominick & Dominick, Inc., James Glenn and John Moysey (collectively referred to as "Respondents") were represented by William J. Bethune, Esq. of the law firm of Ross Marsh Foster Myers & Quiggle.

CASE INFORMATION

Statement of Claim filed: August 29, 1991.

Claimant's Submission Agreement signed on: August 27, 1991.

Joint Statement of Answer filed by Respondents on: July 23, 1992.

Respondent Dominick & Dominick, Inc. ("Dominick") Submission Agreement signed on: July 9, 1992.

Respondent James R. Glenn's ("Glenn") Submission Agreement signed on: June 21, 1992.

Respondent John R. Moysey's ("Moysey") Submission Agreement signed on: August 14, 1992.

### HEARING INFORMATION

Hearing Date/Sessions: February 18, 1993, two sessions.

Hearing Location: Holiday Inn, BWI, Linthicum, MD.

### CASE SUMMARY

Claimant alleged that he opened a brokerage account at Dominick and that Glenn was his broker. Claimant alleged that Glenn made unauthorized purchases of Acclaim Entertainment New, Inc. and Summit Technology, Inc. in Claimant's brokerage account. Claimant alleged that Glenn induced him to open a margin account, that Glenn failed to explain the risks of margin trading and that Glenn mishandled his account. Claimant alleged that Glenn mishandled his account. Claimant alleged that Glenn made misrepresentations to Claimant, including that Glenn would buy back Claimant's 350 shares of Summit Technology, Inc. at the price Respondents sold him out at. Claimant alleged that Glenn failed to place stop loss orders for his account as promised. Claimant alleged that he complained to Moysey about Glenn's mishandling of his account. Claimant alleged that he told Moysey that he no longer wanted Glenn to handle his account.

Respondents denied all allegations of wrongdoing and requested that Moysey be dismissed as a party since Claimant asserted no allegations of wrongdoing against Moysey. Respondents maintained that Claimant authorized each and every purchase. Respondents maintained that Claimant signed a customer agreement authorizing margin trading and that Claimant and Glenn discussed margin trading. Respondents maintained that the customer agreement provided, among other things, that if Claimant did not meet his financial obligation that Dominick could liquidate Claimant's account or sell off stock in the account, as necessary to protect its interest. Respondent maintained that Claimant was sent margin calls and that shares were sold to meet Claimant's obligation. Respondents maintained that Glenn never promised Claimant that he would repurchase Summit Technology back at the same price that Claimant was sold out, but that if Claimant brought in enough money to cover his margin call, Glenn would repurchase the stock for Claimant and only charge Claimant \$12 a share. Respondents maintained that Claimant knowingly opened a margin account, that Claimant received monthly account statements and confirmation slips. Respondents maintained that Claimant was never lied to or misled. Respondents maintained that Claimant's losses were caused by his inability to respond to margin calls and that Claimant's account was properly handled at all times.

### RELIEF REQUESTED

Claimant requested damages in an amount of approximately \$9,000 plus interest and costs.

Respondents request that Claimant's claim be dismissed in its entirety and that Moysey be dismissed as a Respondent.

### **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.

That the Panel held Respondent Moysey's Motion to Dismiss in abeyance until the conclusion of the hearing and has decided to grant Respondent Moysey's Motion. Therefore, all claims asserted by Claimant against Moysey are denied in their entirety.

### **AWARD**

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

1. That Dominick is liable to Claimant and shall pay to Claimant the sum of \$5000; inclusive of interest.
2. That Glenn is liable to Claimant and shall pay to Claimant the sum of \$412.50; inclusive of interest.
3. Each party shall bear their respective costs and expenses, other than those specifically provided for herein.

### **FORUM FEES**

Pursuant to Section 43(c) of the Code of Arbitration Procedure ("Code"), the following forum fees are assessed:

2 hearing sessions x \$400 = \$800

Pursuant to Section 43(c) of the Code, the forum fees of \$800 shall be split equally between Claimant and Dominick. Therefore, Claimant is assessed hearing session fees of \$400 and Dominick is assessed hearing session fees of \$400.

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

Concurring Arbitrator's Signature

Name

Public/Industry

  
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Stephen E. Crable, Esq.

  
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Public Arbitrator

NASD Date of Decision: March 16th, 1993

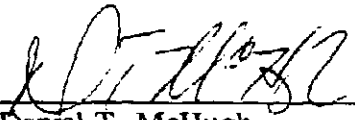
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Award # 91-02737

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

Concurring Arbitrator's Signature

Name

Public/Industry

  
Daniel T. McHugh

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Industry Arbitrator

NASD Date of Decision: March 16th, 1993

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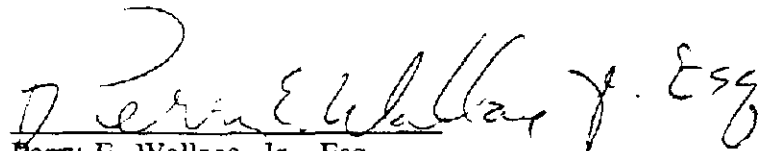
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Concurring Arbitrator's Signature

Name

Public/Industry

  
Perry E. Wallace, Jr., Esq.  
Chairman

Public Arbitrator

NASD Date of Decision: March 16th, 1993