

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Danny J. Marsh

91-02952

Name of Respondents

Ferris, Baker Watts, Inc.
Alan Goldstein

REPRESENTATION

Claimant Danny J. Marsh ("Claimant") was represented by Michelle Barnes, Attorney at Law.

Ferris, Baker Watts, Inc. ("Ferris") and Alan Goldstein ("Goldstein") collectively referred to as Respondents were represented by Theodore W. Urban, General Counsel of Ferris, Baker Watts, Inc.

CASE INFORMATION

Statement of Claim filed on: September 20, 1991.

Claimant's Submission Agreement signed on: September 10, 1991.

Joint Statement of Answer filed by Respondents on: November 13, 1991.

Goldstein's Submission Agreement signed on: March 12, 1992.

Ferris's Submission Agreement signed on: November 7, 1991.

HEARING INFORMATION

Hearing Date/Sessions: September 10, 1992, 2 sessions.

Hearing Location: NASD office, Washington, D.C.

CASE SUMMARY

Claimant alleged that Respondents through the actions of Goldstein made unauthorized transactions in Claimant's account. Claimant specifically alleged that Respondents sold 10 puts on September 13, 1990 without Claimant's knowledge or authority. Claimant alleged that on February 14, 1991, Respondents had sold 13 of Claimant's options without Claimant's

knowledge or authority. Claimant further alleged that all transaction executed in his account on February 15, 1991 were executed without Claimant's knowledge or authorization. Claimant alleged that Respondents encouraged him to trade options which were unsuitable for him given his investment needs and lack of sophistication. Claimant alleged that Respondents churned his account.

Respondents denied each and every allegation of wrongdoing. Respondents maintained that Claimant expressed specific interest in trading options and that he was knowledgeable about options and understood the risks involved in trading options. Respondents maintained that all trades in Claimant's account were suitable. Respondents maintained that Claimant controlled the trading in his account. Respondents maintained that all trades in Claimant's account were executed with Claimant's authority. Respondents maintained that Claimant gave Goldstein authority to trade within established parameters when Claimant was unavailable and price movement was occurring. Respondents maintained that any transaction not specifically directed by Claimant was executed by Goldstein only pursuant to criteria as Claimant had established and instructed Goldstein to follow. Respondents maintained that Claimant's account was not churned.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$15,000 plus punitive damages in the amount of \$200,000 plus interest.

Respondents requested that Claimant's claim be dismissed in its entirety and that all costs and fees be assessed against Claimant.

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. That Respondents' Ferris, Baker Watts, Inc. and Alan Goldstein are jointly and severally liable to the Claimant and shall pay to the Claimant the sum of Four Thousand and 00/100 Dollars (\$4,000.00); inclusive of interest.
2. That Claimant's claim for punitive damages is denied in its entirety.

3. That the parties shall bear their respective costs, including attorneys' fees.

FORUM FEES

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

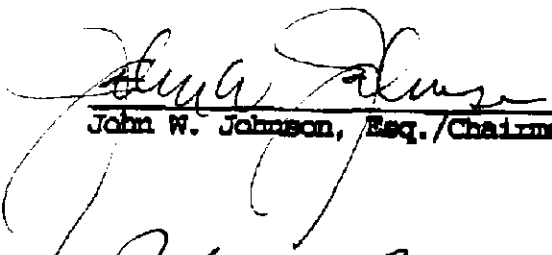
That the Claimant and the Respondents are equally assessed forum fees so that the Claimant's forum fees shall be \$750, however, Claimant is entitled to offset this amount with his hearing session deposit of \$750 so that no monies are due from Claimant.

Respondents are jointly and severally assessed forum fees in the amount of \$750.

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

Concurring Arbitrators' Signatures
Name

Public/Industry


John W. Johnson, Esq./Chairman

Public Arbitrator


John W. Rader, Sr.

Industry Arbitrator


William H. Malloy Jr., Esq.

Public Arbitrator

Date of Decision: September 17, 1992