

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Doley Securities, Inc. and Harold E. Doley, Jr.

91-03976

Name of Respondent

John A. Washington

REPRESENTATION OF PARTIES

For Claimants, Doley Securities, Inc. and Harold E. Doley, Jr., at the hearing: Keith Doley, Esq., New Orleans, Louisiana.

For Respondent, John A. Washington, at the hearing: Jerome J. Pellerin, Esq. of Polack, Rosenberg, Rittenberg & Endom, New Orleans, Louisiana.

CASE INFORMATION

Statement of Claim filed: December 16, 1991. Claimant, Harold E. Doley, Jr.'s Submission Agreement signed on: December 5, 1991. Claimant Doley Securities, Inc.'s Submission Agreement signed on December 5, 1991 by Harold Doley, Jr.

Statement of Answer filed by Respondent on: April 2, 1992. Respondent, John A. Washington's Submission Agreement signed on: April 20, 1992.

HEARING INFORMATION

Hearing dates/sessions: January 7, 1993 for two (2) sessions;
February 18, 1993 for one (1) session;
October 18, 1993 for two (2) sessions;
March 4, 1994 for two (2) sessions.

Hearing Location: New Orleans, Louisiana.

CASE SUMMARY

In the Statement of Claim, Claimants Doley Securities, Inc. and Harold E. Doley, Jr. ("Doley") set forth the following allegations against Respondent John Washington ("Washington"), a former officer of Doley Securities, Inc.: 1. Washington refused to return

a customer's phone calls after losing \$600 of the client's funds on the first transaction; 2. Washington was involved in the diversion of trades from Doley Securities, Inc. to ORO Securities; 3. Washington had requested kickbacks from Superius Securities on certain issues; 4. Washington violated certain supervisory procedures to the detriment of Doley Securities, Inc.; 5. Washington deceived members of the Doley Securities. Board of Directors into signing documents in countervention of existing documents; 6. Washington purged data from Doley Securities computers; and 7. Washington resigned from Doley Securities without paying his portion of an NASD fine.

Respondent Washington, in his Answer to the Statement of Claim, set forth the following defenses: 1. The claims are not proper subject matter for arbitration; 2. The claim is barred because complaints previously filed with the NASD were found by the NASD that "no action is warranted."

RELIEF REQUESTED

Claimants requested payment of \$7500 plus interest and attorney's fees.

Respondent requested that the Statement of Claim be dismissed, plus costs, attorney's fees and for all just and equitable relief.

OTHER ISSUES CONSIDERED & DECIDED

At the beginning of the hearing held on January 7, 1993, counsel for Respondent made a motion pursuant to Section 32(c) of the Code of Arbitration Procedure to bar Claimant from introducing documents not mailed to Respondent 10 days before the hearing. The arbitrator granted the motion after hearing the claimant's response to the motion.

At the beginning of the hearing held on January 7, 1993, counsel for Respondent made a motion that the first six claims be dismissed in that they do not state a cause of action, and they are not a definite Statement of Claim. The arbitrator decided to reserve ruling on the motion until after hearing claimant's presentation of their case. During claimant's presentation of their case, and after the arbitrator deliberated on the motion, the motion was denied.

The parties have agreed that the Award in this matter may be executed by 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 original remains on file with the NASD.

AWARD

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

1. The Claimants' Statement of Claim is denied and dismissed in its entirety;
2. Claimants, Doley Securities, Inc. and Harold E. Doley, Jr., shall be and hereby are jointly and severally liable for, and shall pay to the Respondent, John A. Washington, attorney's fees in the sum of Four Thousand, Five Hundred Sixty Dollars and Seventy Four Cents (\$4,560.74);
3. Each of the parties shall bear their own costs and expenses other than those specifically enumerated for herein.

FORUM FEES

Pursuant to Section 44 (c) of the NASD Code of Arbitration Procedure, the following forum fees are assessed:

7 hearing sessions X \$300.00 = \$2100.00

Pursuant to Section 44(c) of the Code of Arbitration, the NASD shall retain the nonrefundable filing fee in the amount of \$500, and shall retain the hearing session deposit in the amount of \$300 previously paid to the NASD by the Claimant.

Additional forum fees in the amount of \$1800 are assessed jointly and severally against Claimants, Doley Securities, Inc. and Harold Doley, Jr.

Additional Forum Fees assessed by the panel are payable to the National Association of Securities Dealers, Inc.

By The Arbitrator:

Dated:

March 17, 1994

/s/ Ronald M. Roberts
Ronald M. Roberts, PhD
Presiding, Industry Arbitrator

Date of Service by the NASD: 3-18-94