

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :

William R. Cox :

Claimant :

vs. :

Stratton Oakmont, Inc. :

Respondent :

CASE #92-00574
AWARD

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 18, 1992, Claimant William R. Cox, through his counsel C. Richard Conant, Esq., Dallas, TX, alleged that Respondent Stratton Oakmont, Inc. through its broker, Howard Weinstein, made unsuitable recommendations to purchase Ventura Entertainment Group LTD, guaranteeing the stock would rise, when, in fact, it decreased in value. The Claimant further alleged that Mr. Weinstein, as a representative of the broker, made unrealistic predictions of the stock and used high pressure tactics to sell him the stock and again later to avoid the Claimant's request to sell his Ventura stock. The Claimant contended that Respondent Stratton Oakmont, Inc. had a duty to train, supervise and regulate Mr. Weinstein, making them liable in this dispute.

Respondent Stratton Oakmont, Inc., through it's in-house counsel, M. David Hyman, Esq., maintained that the investment was suitable, considering the Claimant's investment experience, and that Mr. Weinstein never promised the stock would rise to any specific level. The Respondent further maintained that the Claimant failed to mitigate his damages by holding onto the stock when he learned it had dropped in price, and his conduct constitutes a notification of the transaction and its suitability.

Respondent Stratton Oakmont, Inc. filed a Motion to Strike Unauthorized Pleadings in which it moved that the Claimant's "Counterclaim of Responding Claimant" be stricken.

RELIEF REQUESTED

Claimant William R. Cox requested \$9,645.00 in actual damages.

Respondent Stratton Oakmont, Inc. requested the claims of the Claimant be dismissed and that it be awarded its costs.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Howard V. Tygrett, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on February 10, 1992 and by the Respondent on April 8, 1992.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Stratton Oakmont, Inc.'s Motion to Strike unauthorized pleadings is denied.
2. Respondent Stratton Oakmont, Inc. is liable and shall pay to the Claimant William R. Cox \$3,260.00 in actual damages.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc. Respondent Stratton Oakmont, Inc. is liable and shall pay \$150.00 to the Claimant as reimbursement.

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AFFIRMATION

I, HOWARD V. TYGRET, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.


Signature of Arbitrator

DATE OF DECISION: October 23, 1992