

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

PUBLIC

John W. Jaeger, Jr., Exec/TTEE

92-01311

Name of Respondent(s)

Bear Stearns & Company
Richard M Burridge

REPRESENTATION

For Claimant: John W. Jaeger, Jr. Executor/TTEE: Phillip H. Rubinstein, Esq. of John W. Giltman & Associates.

For Respondents Bear Stearns & Co. Inc. and Richard M. Burridge: William Mallery, Esq., in-house counsel at Bear Stearns.

CASE INFORMATION

Statement of Claim filed: April 13, 1992.

Claimant's Submission Agreement signed on: May 2, 1992.

Joint Statement of Answer filed by Respondents, Bear Stearns & Co. Inc. and Richard M. Burridge on: July 6, 1992.

Respondent Bear Stearns & Co. Inc.'s Submission Agreement signed on: July 2, 1992.

Respondent Richard M. Burridge's Submission Agreement signed on: October 13, 1992.

HEARING INFORMATION

Hearing Date/Sessions: January 13, 1993 / Two Sessions

Hearing Location: Ramada Inn, Pittsburgh, Pennsylvania.

CASE SUMMARY

Claimant, executor of John W. Jaeger's estate, alleged that on or about July 13, 1988, John W. Jaeger opened an account with Respondent Bear Stearns & Co. Inc. and during the entire period he had his account John Jaeger suffered the debilitating and fatal effect of terminal leukemia, including diminished mental faculties and physical stamina, of which Respondent Burrige, broker at Respondent Bear Stearns & Co. Inc., knew or should have known. Claimant further maintained that Respondent Burrige exerted defacto control over Mr. Jaeger's account through persuasive and manipulative suggestions which Mr. Jaeger, given his medical condition, was unable to evaluate critically. Claimant further alleged that Respondent Burrige acted with willful disregard for the interest of Mr. Jaeger by engaging in a pattern of excessive trading volume, and Respondents activity constituted fraudulent purpose under Section 10(b) of Securities Exchange Act of 1934 and Rule 10b-5, and violated various State Acts.

Respondents maintained that during numerous discussions with Mr. Jaeger, Respondent Burrige advised Mr. Jaeger that the type of trading he had been pursuing was very risky and he advised Mr. Jaeger to eliminate the use of margin and to make more conservative investments, such as bonds and dividend paying stocks. Respondents further maintained that generally Respondent Burrige was able to persuade Mr. Jaeger to eliminate the use of margin, however, Mr. Jaeger

frequently took short positions, and over the life of the account, Mr. Jaeger remained fully in control of all investment decisions. Respondents further asserted the following defenses: statute of limitations, waiver and estoppel.

RELIEF REQUESTED

Claimant requested: \$50,000.00 in compensatory damages plus attorneys' fees, cost and interest.

Respondents requested: all claims be dismissed in their entirety.

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 by Claimant be and hereby are dismissed in their entirety.
2. Each party shall bear their own costs.

FORUM FEES

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

2 sessions x \$500.00 = \$1,000.00 hearing session
deposit = \$500.00 net due.

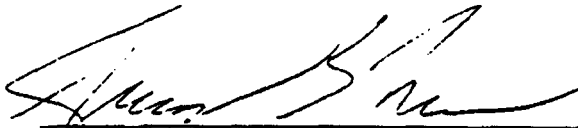
Forum fees Assessed Against:

Respondents Bear Stearns & Co. Inc. and Richard M. Burrige be and hereby are liable, jointly and severally, and shall pay the NASD the sum of \$500.00 to represent forum fees.

The NASD shall retain the \$150.00 filing fee and \$500.00 hearing session deposit previously deposited by the Claimant.

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

ARBITRATION PANEL



Frederick E. Liechti, Esq./Chairperson

2/4/93

Public Aribtrator

Timothy D. Wasson

Industry Arbitrator

William T. Duboc

Public Aribtrator .

Date of Decision: February 8, 1993

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Public Aribtrator

Timothy D. Wasson

Industry Arbitrator



William T. Duboc

Public Aribtrator

Execution

Date of ~~Execution~~: 1/13/93

Date of Decision: February 8, 1993