

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Edwin E. Lockhart

Case #92-01739

Name of Respondents

Advest, Inc.
Abraham Yacteen

REPRESENTATION

For Claimant, Edwin E. Lockhart ("Claimant"), Lynre Harns, Esq., from the law firm of Hans and Curran, P.C.

For Respondents, Advest, Inc. ("Advest") and Abraham Yacteen ("Yacteen"), William Freitag, Esq. in-house counsel at Advest, Inc.

CASE INFORMATION

Statement of Claim was filed on May 22, 1992.

Claimant's Submission Agreement was signed on May 20, 1992.

Joint Statement of Answer was filed by Advest and Yacteen on July 21, 1992.

Advest's Submission Agreement was signed on July 20, 1992.

Yacteen's Submission Agreement was signed on August 7, 1992.

HEARING INFORMATION

Hearing Date/Hearing Session: February 4, 1993 - One session.

Hearing Location: National Association of Securities Dealers, Inc.'s offices located at 260

Franklin Street, Boston Massachusetts.

CASE SUMMARY

Claimant alleges that his broker, Yacteen, failed to give him the kind of support he needed to get through a vital financial situation regarding his AMR October 90 puts on October 16, 1989.

Claimant states that on October 16, 1989, while waiting in Yacteen's office, he panicked at the strength of the market and told Yacteen to get him out which Yacteen did. Claimant states that later when Donald Trump announced that he had withdrawn his offer to purchase American Airlines, he realized that he could have made a profit rather than take a loss had he received support from Yacteen. Claimant further alleges that if Yacteen had covered his AMR October 95 Puts as he had ordered, he would not have panicked and sustained a loss.

Respondents contend that the claim fails to state a cause of action or claim upon which any relief can be granted and should be dismissed. Respondents deny liability for the losses sustained by Claimant. Respondent assert that Claimant admits in his Statement of Claim that he was responsible for his losses. Respondents argue that Claimant panicked and sold the AMR Puts and had he waited he would have made money rather than lose approximately \$8,000.00. Respondents further argue that this does not create a cause of action against them.

Respondents allege that Claimant has had extensive options experience at Advest and at other brokerage firms, twelve years options experience and fifteen years experience in trading stocks and bonds. Respondents further allege that Claimant often engaged in a strategy called a Bullish Put Spread or a Credit Spread whereby the investor takes in more premium at the higher strike price of the Put and pays less premium for the Put for the lower strike price. Respondents further allege that Claimant was interested in volatile takeover candidates such as United Airlines and American Airlines.

RELIEF REQUESTED

Claimant request and award of \$8,476.11. Respondents request that an award be entered dismissing the entire Statement of Claim with prejudice. Respondents also request that all costs associated with the Claim be assessed against Claimant.

AWARD

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

All claims against the Respondents are denied.

Franklin Street, Boston Massachusetts.

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Claimant states that on October 16, 1989, while waiting in Yacteen's office, he panicked at the strength of the market and told Yacteen to get him out which Yacteen did. Claimant states that later when Donald Trump announced that he had withdrawn his offer to purchase American Airlines, he realized that he could have made a profit rather than take a loss had he received support from Yacteen. Claimant further alleges that if Yacteen had covered his AMR October 95 Puts as he had ordered, he would not have panicked and sustained a loss.

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FORUM FEES

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

Non-refundable Filing Fee: \$75.00.

Hearing Session Fees: \$200.00 x one session = \$200.00.

1. Claimant deposited \$275.00 which shall be credited toward the fees assessed.



Chesley Oriel, Esq.
Sole Public Arbitrator.