

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

PUBLIC

In the Matter of the Arbitration Between

Name of Claimant(s)

Scarsdale Teachers Federal Credit Union

92-03284

Name of Respondent(s)

Ernst & Company
The Trading Desk, Inc.
Benjamin Maxwell & Co.

REPRESENTATION

For Claimant: Evelyn C. Marino of the Scarsdale Teachers Federal Credit Union, Scarsdale, New York.

For Respondents: Michael H. DuBoff, Esq. of Salon, Maron & Dyckman, New York City, New York.

CASE INFORMATION

Statement of Claim filed: September 28, 1992.

Claimant's Submission Agreement signed on: September 24, 1992.

Joint Statement of Answer filed by Respondents The Trading Desk, Inc., Ernst & Co. and Benjamin Maxwell & Co., Inc. on: January 12, 1993.

Respondent The Trading Desk Company's Submission Agreement on: December 1, 1992.

Respondent Ernst & Company's Submission Agreement on: December 1, 1992.

Respondent Benjamin Maxwell & Company, Inc.'s Submission Agreement signed on: December 10, 1992.

HEARING INFORMATION

Hearing Date/Sessions: June 25, 1993 / Two Sessions

Hearing Location: NASD offices located in New York City, New York.

CASE SUMMARY

Claimant Scarsdale Teachers Federal Credit Union ("Claimant") alleged that on December 30, 1991 Respondents The Trading Desk, Inc., Ernst & Company, and Benjamin Maxwell & Company, Inc., together and separately, sold \$3,000,000.00 United States Treasury Principal Strips due 11-15-09 at \$24.315 for \$729,450.00 without prior to sale obtaining an authorization or indication of an "absolute trade" from Claimant. Claimant further alleged that Respondents used coercion to successfully pressure Claimant into replacing the unauthorized sold securities, which Claimant had no choice but to rebuy at \$24.918 for \$747,540.00, which caused Claimant to suffer at loss of \$18,090.00 in their account. The Strips had also been sold by Robert Thomas Securities for the same quantity and dollar amount.

Respondents maintained that Claimant advised Respondents that the sell order was an "order in hand" but never advised Respondents that they required an additional "absolute made" order prior to making the sell. Respondents further maintained they are not familiar with the term "absolute trade" and upon information and belief, it is not used in connection with bond trading. Respondents further maintained that Claimant authorized the repurchase of the bonds and Respondents merely sold the securities in conformity with Claimant's instructions. Benjamin Maxwell & Company is a broker only for Certificate of Deposits. Ernst & Company is a clearing broker for the Trading Desk, Inc.

RELIEF REQUESTED

Claimant requested \$18,090.00 in compensatory damages plus \$1,000.00 lost interest.

Respondents requested all claims be dismissed plus costs.

AWARD

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

1. All claims be and hereby are dismissed in their entirety.
2. Each party shall bear its own costs, including attorneys' fees.

Page 3
Award #92-03284

FORUM FEES

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

2 sessions x \$300.00 = \$600.00 net due less \$300.00 hearing session
deposit = \$300.00 net due.

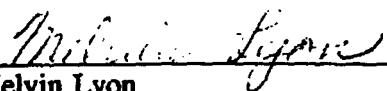
Forum Fees Assessed Against:

Claimants be and hereby are liable and shall pay the NASD the sum of \$300.00 to represent the balance of forum fees.

The NASD shall retain the \$100.00 filing fee \$300.00 hearing session deposit previously deposited by Claimant.

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

ARBITRATORS' SIGNATURE



Melvin Lyon
Public Arbitrator

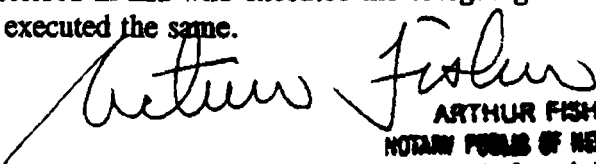
Date of Decision: July 29, 1993

STATE OF: *NEW JERSEY*

SS:

COUNTY OF: *BERGEN*

On this *26* day of *JULY*, 1993, before me personally appeared Melvin Lyon know and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.


ARTHUR FISHER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 27, 1997