

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

William and Carol Shopland

92-04096

Name of Respondents

Bear Stearns & Co. Inc.
Vicky Abrams

REPRESENTATION

For Claimants William and Carol Shopland ("Claimants"): Gregg P. Tabakin, Esq., of Weiner Lesniak.

For Respondents Bear Stearns & Co. Inc. ("Bear Stearns") and Vicky Abrams ("Abrams"): James H. Hubbert, Esq. of Bear Stearns.

CASE INFORMATION

Statement of Claim filed: December 4, 1992.

Claimants' Submission Agreement signed on: November 18, 1992.

Joint Statement of Answer filed by Respondents on: March 23, 1993.

Respondent Bear Stearn's Submission Agreement signed on: March 18, 1993.

Respondent Abrams' Submission Agreement signed on: March 29, 1993.

HEARING INFORMATION

Hearing Date/Sessions:

August 19, 1993/2 sessions

Hearing Location:

NASD, New York City, NY

CASE SUMMARY

Claimants alleged that in or about March 1990, they opened an account with Bear Stearns and placed an order for the purchase of 1,000 shares of Lo Jack Corporation ("Lo Jack"). Claimants alleged they were novices and

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unsophisticated in the stock market and had received a cold call from Abrams whereby she promised an annual return of twenty (25%) percent on their IRA's.

Claimants further alleged that following the purchase in March 1990, 16,000 additional shares were bought between that time and July 1990. Claimants alleged that at the time the second purchase was made, the last week of March 1990, they did not have sufficient funds to purchase the equities on a cash basis. Claimants then alleged Abrams encouraged them to go on margin, which was accomplished by the execution of a customer agreement in April 1990. Claimants alleged they had never previously been on margin and that it was unsuitable for their account to be handled on a margin basis.

Claimants then alleged that the price of Lo Jack began to fall in August 1990, whereby they contacted Abrams who advised them to "hang in there". Claimants alleged that despite many maintenance calls, Abrams encouraged them to hold their position. Claimants then alleged that in late September 1990, they were notified they needed an additional \$20,000.00 or had to begin selling shares to meet the latest margin call. Claimants asserted that based on Abrams' calculations, they agreed to sell 11,000 shares, thereby owning the remaining balance of 5,000 shares free and clear. Further, Claimants alleged Abrams then advised them she had miscalculated and that they did not own the remaining shares free and clear and for the first time told Claimants that they should not have borrowed money to pay for the Lo Jack shares.

Claimant William Shopland alleged he then contacted the manager of the Bear Stearns office; however, the manager was unsympathetic and uncooperative. Claimants alleged they sold the final 5,000 shares in December 1990 and January 1991.

Finally, Claimants alleged Respondents handled their account in a negligent manner and breached the fiduciary duty owed to them.

Respondents denied that Abrams promised Claimants an annual return of twenty (25%) percent. Respondents asserted that in March 1990, Claimant William Shopland contacted Abrams in order to open a joint account with Claimant Carol Shopland and entered an unsolicited order for the purchase of 1,000 shares of Lo Jack. Respondents further asserted that this purchase was one of a series of unsolicited purchases of Lo Jack shares by Claimants.

Respondents denied Claimants' allegation that they lacked sufficient funds to make the second purchase of Lo Jack shares or that Abrams "encouraged" them

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to go on margin. Respondents denied that the purchase of Lo Jack on margin was unsuitable for Claimants. Respondents denied that Abrams advised Claimants to continue to hold the Lo Jack despite the fact that the shares had declined in value and Claimants had received maintenance margin calls. Respondents denied that Claimants' account was mismanaged; that Claimants' loss was related to or the result of any act or omission on Respondents' part; and that either Bear Stearns and/or Abrams were negligent or breached any fiduciary duty owed to Claimants.

RELIEF REQUESTED

Claimants requested: actual damages in the amount of \$61,387.83, plus interest; costs; and legal fees.

Respondents requested: the claims of Claimants be dismissed in their entirety; and costs.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in 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 originals remain on file with the NASD.

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. The claims of Claimants William and Carol Shopland are hereby denied;
2. All other claims are denied;
3. Each party shall bear its own costs, including attorneys' fees, except that Respondents Bear Stearns & Co. Inc. and Vicky Abrams are hereby liable, jointly and severally, and shall pay to Claimants William and Carol Shopland the sum of \$500.00. Said amount to reimburse to Claimants the \$500.00 hearing session deposit previously paid to the NASD.

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FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall retain the \$150.00 non-refundable filing fee previously paid by Claimants and the following Forum Fees are assessed.

2 sessions X \$500.00 = \$1,000.00 minus Claimants' hearing session deposit of \$500.00 = net \$500.00 due.

Forum fees Assessed Against:

1. Respondents, Bear Stearns & Co. Inc. and Vicky Abrams are hereby liable, jointly and severally, and shall pay to the NASD the sum of \$500.00.

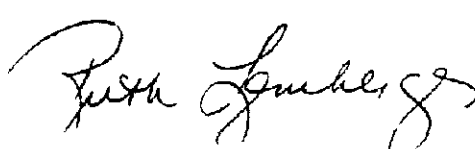
Fees are payable to the National Association of Securities Dealers, Inc.

Arbitrator Signature

Date of Decision: September 13, 1993


Jerome H. Levy/Industry Arbitrator

*S/S on Sept 2, 1993
in N.Y., NY Jerome H. Levy came
before me and attested he is the person
who is signing this document.*


RUTH LEMBERGER
Notary Public, State of New York
No. 31-4849888
Qualified in New York County
Commission Expires Jan. 6, 1994

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Arbitrator Signature

Date of Decision: September 13, 1993

David I. Gilchrist

David I. Gilchrist/Public Arbitrator

*Sworn to before me
on the 30th day of Aug. 1993
Noreen A. McCulley*

NOREEN A. MCCULLEY
Notary Public, State of New York
No. 4940046
Qualified in Suffolk County
Term Expires: August 1, 1994

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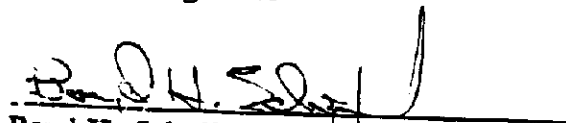
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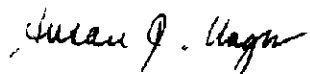
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Fees are payable to the National Association of Securities Dealers, Inc.

Arbitrator Signature


Boyd H. Scheff/Public Arbitrator

Date of Decision: September 13, 1993


SUSAN J. UNGER
NOTARY PUBLIC, State of New York
No. 4971387
Qualified in Nassau County
Commission Expires September 4, 1994