

## **NASD AWARD**

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of the Arbitration Between

Name of Claimant

Shearson Lehman Brothers, Inc.

and

93-00017

Name of Respondent

Gary E. and Marilyn Bullock

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### **REPRESENTATION OF PARTIES**

Shearson Lehman Brothers, Inc. ("Claimant") was represented by Charlene F. Marsh, Esq., Little Rock, Arkansas.

Gary E. and Marilyn Bullock ("Respondents") appeared *pro se*.

### **CASE INFORMATION**

The Statement of Claim was filed on or about January 5, 1993. Submission Agreement of Claimant Shearson Lehman Brothers, Inc. was signed on October 22, 1992 by Edward N. Gioiella.

Statement of Answer was filed by Respondent Gary E. and Marilyn Bullock on or about May 6, 1993.

### **HEARING INFORMATION**

The hearing was held on Tuesday, August 17, 1993 for one (1) session, Monday, February 28, 1994 for one (1) session and Tuesday, October 10, 1995 for one (1) session in Little Rock, Arkansas for a total of three (3) sessions.

### **CASE SUMMARY**

Claimant alleged that Respondents had entered orders to execute trades in three separate individual accounts. Claimant alleged that payment for the trades was made by five checks issued by the

Respondents and drawn on two different banks from joint accounts of Gary and Marilyn Bullock. It was specifically alleged that the checks were returned for insufficient funds. Claimant additionally alleged that Respondents assured it that payment for the transactions would be forthcoming. Claimant stated that the positions were liquidated after the Respondents failed to make payment for the securities leaving debit balances in the three accounts.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated that the forms were incorrectly filled with false information not provided by them in their own handwriting; that Claimant Shearson illegally made a market in a stock in which Rule 144 stock was used as a security to short against; and that a broker possibly traded ahead of them.

### **RELIEF REQUESTED**

Claimant requested an award in the amount of \$22,701.09 from Respondent Gary E. Bullock and \$11,619.42 from Marilyn Bullock, together with interest, costs, and reasonable attorneys' fees as allowable by law and in the interest of justice and for such other relief as the arbitrators may deem just, fair, and reasonable.

Respondents requested that the claims asserted against them be denied in their entirety.

### **OTHER ISSUES CONSIDERED & DECIDED**

Upon review of the file and the representations made by/on behalf of the Claimant, the undersigned arbitrators have determined that Respondents Gary E. Bullock and Marilyn Bullock had received due notice of the hearing as required under §26 of the Code and that arbitration of the matter would proceed pursuant to §29 of the Code.

Respondents Gary E. and Marilyn Bullock did not file with the NASD a properly executed submission to arbitration but is required to submit to arbitration pursuant to §12 of the NASD Code of Arbitration Procedure (the "Code") and having answered the claim, appeared and offered arguments for the Motion to Dismiss at the hearings conducted on August 17, 1993 and February 28, 1994 are bound by the determination of the arbitration panel on all issues submitted.

The panel at the commencement of the hearing on Tuesday, October 10, 1995 advised the party present that it had considered the written submissions of the parties and the arguments presented at the hearing on February 28, 1994 regarding the choice of law and statutes of limitation and decided that the Motion to Dismiss shall be denied.

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 original(s) 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. Respondent Gary E. Bullock shall be and hereby is liable for and shall pay to the Claimant Shearson Lehman Brothers, Inc. the sum of **Twenty two thousand seven hundred one dollars and nine cents (\$22,701.09)**.
2. Respondent Marilyn Bullock shall be and hereby is liable for and shall pay to the Claimant Shearson Lehman Brothers, Inc. the sum of **Eleven thousand six hundred nineteen dollars and forty-two cents (\$11,619.42)**.
3. The counterclaim asserted in this matter shall be and hereby is dismissed with prejudice.
4. Each party shall bear its own costs, expenses and attorneys' fees incurred in this matter not specifically enumerated herein.

### **FORUM FEES**

Forum fees are calculated at the rate of \$600 per hearing session and \$300 for each prehearing conference, if any. There were three (3) sessions x \$600 = \$1,800 in forum fees. Pursuant to §43(b) a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less.

Pursuant to §43(c) of the NASD Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall **retain** the non-refundable filing fee in the amount of \$500 and shall **retain** as forum fees the hearing session deposit in the amount of \$600 previously deposited with the NASD by the Claimant Shearson Lehman Brothers, Inc. **Fees are payable to**

**the National Association of Securities Dealers, Inc.** Respondents Gary E. Bullock and Marilyn Bullock shall be and hereby are liable for and shall pay to the NASD the sum of \$1,200 as the balance due for forum fees.

Dated:

/s/ B. Jeffrey Pence, Esq.

October 26, 1995

B. Jeffrey Pence, Esq.  
Public Arbitrator, Presiding Chair

/s/ James Paul Beachboard, Esq.

October 24, 1995

James Paul Beachboard, Esq.  
Public Arbitrator

/s/ James Jones

October 25, 1995

James Jones  
Industry Arbitrator