

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS**

**In the Matter of the Arbitration Between**

**Name of Claimants**

**Lee Lee**

**vs.**

**NASD #93-00319**

**Name of Respondents**

**Wedbush Morgan Securities, Inc.**

**REPRESENTATION**

**For Claimant: Anthony J. Hom, Esq., Philadelphia, PA**

**For Respondents: Marie Eaton, Wedbush Morgan Securities, Inc., Los Angeles**

**CASE INFORMATION**

**Statement of Claim filed: January 29, 1993**

**Claimant's Submission Agreement signed: January 14, 1993**

**Statement of Answer filed by Respondent on: May 4, 1993**

**Respondents' Submission Agreements signed on: May 4, 1993**

**HEARING INFORMATION**

**Prehearing Conference(s) Date(s)/(Sessions): None.**

**Hearing Date/(Sessions): November 15, 1993 (two)**

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Hearing Location: Los Angeles, CA

### CASE SUMMARY

Claimant alleged: fraud, breach of fiduciary duty, unavailability, negligence violations of federal securities laws and failure to supervise in the purchase of Deprenil stock. Claimant is a Korean donut shop owner with little investment experience or understanding of the securities markets. He was solicited by Respondent to purchase Deprenil, which was purchased at \$19.00 and at the time of filing was at \$3.00.

Respondent denied all substantive allegations of the Statement of Claim and alleged: Claimant opened a joint account with Respondent with objectives of speculation and capital appreciation. Claimant engaged in trading short term index options on more than one occasion and Deprenil was suitable for his objectives. Respondent made full disclosure of the risks of the investment.

### RELIEF REQUESTED

Claimant requested:

1. Compensatory damages of \$34,000;
2. Interest from the date the losses were incurred to the date of arbitration;
3. Attorneys' fees 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. All claims are dismissed;
2. The parties shall each bear their respective attorney's fees;
3. The parties shall each bear their respective costs.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc. shall retain the \$400 hearing session deposit previously deposited by the claimant. Forum fees assessed against:

Respondents for \$400

calculated as follows: two hearing sessions at \$400/hearing session, equals \$800, minus \$400 already paid by the claimant as a hearing deposit.

Fees are payable to the National Association of Securities Dealers.

ARBITRATION PANEL

Name

Bernard Segelin, Esq.  
Dorothy M. Gelsler, Esq.  
Corinne Whitaker

Public/Industry

Public  
Public  
Securities

Concurring Arbitrators' Signature

  
Corinne Whitaker

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Dorothy Gelsler, Esq.

Served 1/11/94

Dissenting Arbitrator's Signature

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Bernard Segelin, Esq.

Date of Decision: 12/2/93

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