

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Fred S. Wilson

93-00662

Name of Respondents

Hanover, Sterling & Company Ltd.
Mark A. Lefkowitz

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 23, 1992, Claimant Fred S. Wilson, who appeared Pro Se, alleged that in August, 1992 he purchased 1,000 shares of Alter Sales stock at \$11.50 per share from Respondent Hanover, Sterling & Co., Ltd. by and through his Account Executive, Respondent Mark A. Lefkowitz. Claimant further alleged at the time of the purchase, Respondent Mark A. Lefkowitz advised him that he would put in a "loss sell" clause so that the most Claimant could lose on this transaction would be \$500.00. Claimant contended that the stock started to decline, at which time, Respondent Mark A. Lefkowitz kept reassuring him that it was only a temporary situation and assured Claimant that he could now only lose \$1,000.00. Claimant further contended that in the first week of December, the stock rose to \$9.50 and he told Respondent Mark A. Lefkowitz to sell, at which time, Respondent Mark A. Lefkowitz told Claimant he could not honor the "short sell" loss of \$1,000.00 because he did not sell the stock when it was at \$10.50 whereby on December 14, 1992, Claimant told Respondent Mark A. Lefkowitz to sell his stock. Claimant asserted that Respondent Mark A. Lefkowitz informed him that he sold the shares at \$9.375 per share and that Claimant would receive payment within 10 days to two weeks, Claimant further asserted that at the end of December, he contacted Respondent Hanover Sterling & Co. Ltd. to inquire about the payment, at which time, Claimant was advised that Mr. Ian Roberts was now his Account Executive and that the stock had not been sold, but Claimant should wait until mid-January as they anticipated a big recovery in the price of Alter Sales stock. Claimant argued that due to Respondent Mark A. Lefkowitz negligence and Respondent Hanover Sterling & Co. Ltd. failure to properly supervise their employee, Claimant suffered financial losses.

Respondent Hanover Sterling & Co., Ltd. failed to file an Answer to the Statement of Claim.

Respondent Mark A. Lefkowitz failed to file an Answer to the Statement of Claim.

RELIEF REQUESTED

Claimant Fred S. Wilson requested \$7,375.00 in actual damages.

Respondent Hanover Sterling & Co., Ltd. failed to file an Answer to the Statement of Claim.

Respondent Mark A. Lefkowitz failed to file an Answer to the Statement of Claim.

OTHER ISSUES CONSIDERED & DECIDED

In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent Hanover Sterling & Co., Ltd. was served a copy of the Statement of Claim by regular mail on February 25, 1993 and given an opportunity to respond, which they failed to do. Respondent Hanover Sterling & Co., Ltd. was notified on April 15, 1993, via certified mail, that their Statement of Answer was overdue. The signed certified mail receipt was returned to the NASD date stamped April 20, 1993, evidencing their receipt of this correspondence. Respondent Hanover Sterling & Co., Ltd. failed to file an Answer to the Statement of Claim.

In accordance with Section 13 of the NASD Code of Arbitration Procedure the Respondent Mark A. Lefkowitz was re-served a copy of the Statement of Claim by certified mail on March 25, 1993 and given an opportunity to respond, which he failed to do. The signed certified mail receipt was returned to the NASD dated April 2, 1993, evidencing his receipt of this correspondence. Respondent Mark A. Lefkowitz was notified on May 12, 1993, via certified mail, that his Statement of Answer was overdue. The signed certified mail receipt was returned to the NASD dated May 19, 1993, evidencing his receipt of this correspondence. Respondent Mark A. Lefkowitz failed to file an Answer to the Statement of Claim.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondents Hanover Sterling & Co., Ltd. and Mark A. Lefkowitz were required to submit to this arbitration proceeding and are, therefore, bound by the arbitrator's ruling and determination.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Peter J. Dale, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to

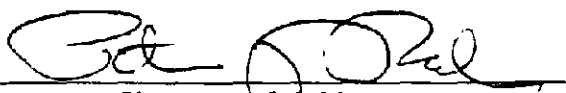
Arbitration signed by the Claimant on February 8, 1993, and not by the Respondents as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents Hanover Sterling & Co., Ltd. and Mark A. Lefkowitz are jointly and severally liable and shall pay to the Claimant Fred S. Wilson the sum of \$7,375.00 in damages.
2. The parties shall bear their respective costs.
3. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Fred S. Wilson shall be retained by the NASD, Inc. Respondents Hanover Sterling & Co., Ltd. and Mark A. Lefkowitz are jointly and severally liable to the Claimant the sum of \$150.00, as reimbursement.

AFFIRMATION

I, **PETER J. DALE, ESQ.**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: June 30, 1993