

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

James R. Herndon

93-02110

Name of Respondents

Stratton Oakmont, Inc.  
John Squeri

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 26, 1993, Claimant James R. Herndon, who appeared Pro Se, alleged that Respondent John Squeri, through the Respondent firm, Stratton Oakmont, Inc., used high pressure tactics to mislead him into purchasing 2,000 shares of LICON stock, and that shortly thereafter the stock declined in value. The Claimant further alleged that although he questioned the investment, he was assured by the firm's compliance officer that he should not be concerned about the investment. Claimant James R. Herndon further alleged that once the stock declined 45% in value, Respondent John Squeri's associate, Mr. Miller, tried to use hard-sell tactics to convince him to purchase an additional 10,000 shares, but that he finally agreed to buy 1,000 shares. The Claimant contended that the stock dropped more than 80% in value in less than three months, and that the Respondents should be held liable for the loss he has incurred.

Respondents Stratton Oakmont, Inc. and John Squeri, through their counsel Norman B. Arnoff, Esq. of Capuder & Arnoff, P.C., New York, NY, maintained that they committed no wrong and denied that any unauthorized, unsuitable, illegal or improper transactions took place. The Respondents also maintained that the Claimant received confirmations and account statements and did not complain or object to these transactions. The Respondents contended that they should not be held liable in this matter.

In a response to the Statement of Answer, Claimant James R. Herndon refuted the defenses of the Respondents and stated that he did not receive information from the Respondents on a timely basis, and further that his complaint was filed timely. Claimant James R. Herndon requested the Respondents be found liable for their wrongdoing.

**RELIEF REQUESTED**

Claimant James R. Herndon requested \$9,645.00 in actual damages.

Respondents Stratton Oakmont, Inc. and John Squeri requested that the claims of the Claimant be dismissed.

**OTHER ISSUES CONSIDERED & DECIDED**

Respondents Stratton Oakmont, Inc. and John Squeri, through their counsel, Norman B. Arnoff, Esq. of Capuder & Arnoff, P.C., requested a hearing in this matter. This request is denied.

**AWARD**

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, John M. Eaves, 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 May 24, 1993, by the Respondent Stratton Oakmont, Inc. on July 12, 1993, but not by Respondent John Squeri 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. The claims of the Claimant James R. Herndon against Respondents Stratton Oakmont, Inc. and John Squeri are dismissed in their entirety.
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 shall be retained by the NASD, Inc.

AFFIRMATION

I, JOHN M. EAVES, 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: December 1, 1993