

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of Arbitration Between

Name of Claimants

Chester B. Pauls
Margaret T. Pauls

vs.

Case # 93-02420

Name of Respondents

Waterhouse Securities, Inc.

REPRESENTATION

Claimant appeared pro se.

For Respondent: James J. Coster, Esq. of Satterlee Stephens Burke & Burke, New York, NY.

CASE INFORMATION

Statement of Claim filed: June 15, 1993.

Claimant's Submission Agreement signed on: June 15, 1993.

Statement of Answer filed by Respondent, Waterhouse Securities, Inc. on: August 9, 1993.

Respondent Waterhouse Securities's Submission Agreement signed on: August 9, 1993.

HEARING INFORMATION

Hearing Dates/Sessions: December 13, 1993 - 1 session

Hearing Location: William Penn Hotel in Pittsburgh, PA.

CASE SUMMARY

Claimants alleged that on December 31, 1992, they ordered 1,000 shares of Ames Department Stores Stock from Respondent whereby the securities account office assured them the quoted price of \$0.06 was for the newly issued Ames shares. Claimants further alleged that on January 4, 1993 they ordered 7,000 shares of Ames from Respondent at the same price. Claimants contended that some time in early March, 1993 they checked with Respondent about the status of Ames and why they haven't received their Ames Securities certificates and were told Respondent would check into it. Claimants further contended that they were told by Respondent that they ordered the old stock and the new Ames stock was not on the market until mid-February, 1993. Claimants alleged that they bought 8,000 shares of Ames in good faith and wanted those shares delivered to their account.

Respondents maintained that they followed Claimants' orders and when the broker taking the order read back the exact description of the subject security, in both cases Claimants remained silent when they had an opportunity to correct any discrepancies. Respondent further maintained that Claimants were remiss in failing to provide Respondent with timely notification of the claimant discrepancy.

RELIEF REQUESTED

Claimant requested: \$24,000.00 in compensatory damages.

Respondent requested: all claims be dismissed.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent be and hereby are liable and shall pay Claimants the sum of \$3,000.00, inclusive of interest.
2. Respondent be and hereby is liable and shall pay Claimants the sum of \$400.00 to represent filing fees.
3. Each party shall bear their own costs.

FORUM FEES

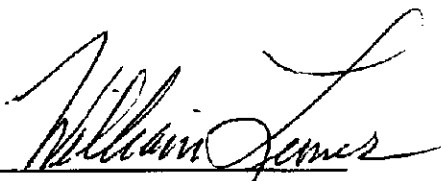
Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

1 session x \$300.00 = \$300.00 less hearing session deposit of \$300.00 = \$0.00 net due.

The NASD shall retain the \$100.00 filing fee and \$300.00 hearing session deposit previously paid by Claimant.

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

ARBITRATOR SIGNATURE



William Lerner, Esq.
Public Arbitrator

January 13, 1994

Date of Decision: _____