

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Legg Mason Wood Walker, Inc.

93-03176

Name of Respondent

Joel K. Gothold

REPRESENTATION

For Claimant, Legg Mason Wood Walker, Inc. ("Claimant"), John Snyder of Bingham, Dana, & Gould located in Hartford, Connecticut.

For Respondent, Joel K. Gothold ("Respondent"), Eliot B. Gersten of Gersten & Clifford, located in Hartford, Connecticut.

CASE INFORMATION

Statement of Claim filed: August 11, 1993.

Claimant's Submission Agreement signed on: August 4, 1993.

Statement of Answer and Counterclaim filed by Respondent, on: September 30, 1993.

Respondent's Submission Agreement signed on: September 29, 1993.

Claimant's Response to the Counterclaim filed on: October 21, 1993.

Respondent's Amended Counterclaim filed on: July 29, 1994.

Claimant's Response to Respondent's Amended Counterclaim filed on: September 6, 1994.

HEARING INFORMATION

Hearing Dates/Sessions: August 22, 1994 - 2 Sessions
 September 22, 1994 - 2 Sessions
 December 6, 1994 - 2 Sessions

Hearing Location: Law Offices of Silver, Golub & Teitel, 184 Atlantic Street,
Stamford, CT 06904

CASE SUMMARY

Claimant alleges that Respondent signed an Option Agreement and a Margin Agreement in September 1990. Claimant states that in June, 1993, Respondent became indebted to it for \$22,787.85 as a result of his failure to satisfy margin requirements with respect to his account. Despite a demand payment letter sent by Claimant, Respondent failed and refused to pay.

In defense against the counterclaims, Claimant stated Respondent was an experienced investor who actively traded options and invested in speculative stocks. Additionally, claimant stated Respondent was informed of and authorized all action with his account.

Respondent defends and counterclaims by denying all liability and by stating that he consistently met margin calls relating to his accounts during 1992 and 1993. He alleges that neither he nor his broker were ever informed of a negative value in his account; that in fact, Respondent was told he had a positive equity balance. Respondent maintains that had he been informed of the true situation earlier, his account would not have been left with a debit balance which resulted from the rapid rise in the price of Andrea Electronics. Respondent alleges that Claimant failed to mitigate its damages by not liquidating Respondent's account earlier and not informing him of the true status of his account. Additionally, Respondent states his account was subject to excessive trading and reckless speculation with risk transactions.

RELIEF REQUESTED

Claimant requested \$22,787.85 plus interest in damages, attorney's fees and costs and that Respondent's counterclaim be dismissed in its entirety.

Respondent requested Claimant's claim be dismissed in its entirety and that an award be entered against Claimant for investment loss, margin interest, interest on lost funds, costs and attorney's fees.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies and 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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claim is dismissed in its entirety.
2. Respondent's Counterclaim is dismissed in its entirety.
3. Each party shall bear its and his own costs and expenses, including attorney's fees.

FORUM FEES

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

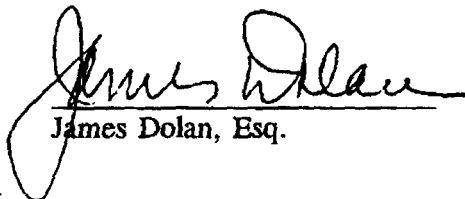
Non-refundable filing fee:	\$ 500.00
Non-refundable filing fee for Counterclaim:	\$ 250.00
Hearing Session Deposit (\$300.00 x 6 Sessions)	<u>\$1800.00</u>
Total Fees:	<u>\$2550.00</u>

1. Claimant paid \$800.00 and owes \$1750.00.

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

Concurring Arbitrators' Signatures
Name

Public/Industry


James Dolan, Esq.

Public

Date of Decision:

Jan 31, 1995

NASD Date of Decision February 3, 1995