

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant/Counter-Respondent

Edward D. Seelig

93-03528

Name of Respondent/Counter-Claimant

Wedgewood Partners, Inc.

REPRESENTATION

For Claimant/Counter-Respondent: Edward D. Seelig ("Seelig") was represented by Donald Kenneth Anderson, Jr., Esq. of St. Louis, Missouri.

For Respondent/Counter-Claimant: Wedgewood Partners, Inc. ("Wedgewood") was represented by Anthony L. Guerrierio of Wedgewood Partners, Inc., located in St. Louis, Missouri.

CASE INFORMATION

Statement of Claim filed: September 10, 1993.

Claimant/Counter-Respondent's Submission Agreement signed on: August 26, 1993 by Edward D. Seelig.

Statement of Answer and Counterclaim filed by Respondent, Wedgewood Partners, Inc. on: November 1, 1993.

Respondent, Wedgewood Partners, Inc.'s Submission Agreement signed on: November 1, 1993 by Anthony L. Guerrierio, President, Wedgewood Partners, Inc.

HEARING INFORMATION

Pre-Hearing Conference: None Held.

Hearing Date/Sessions: May 26, 1994 for One (1) Session.

Hearing Location: St. Louis, Missouri.

CASE SUMMARY

Claimant/Counter-Respondent Seelig alleged that because Respondent Wedgewood issued a Statement of Account to Seelig which indicated that it had erroneously transferred shares of common stock to Seelig's account, Seelig in reliance upon such a Statement, conducted certain transaction which resulted in a monetary loss. Seelig specifically alleged that:

1. On July 17, 1992 Wedgewood advised Seelig that it was ready to transfer the securities from Seelig's mother's estate, Estelle K. Seelig, to his account;
2. On July 31, 1992, after the requisite paperwork was completed, a Statement of Account was issued to Seelig which indicated that Wedgewood had incorrectly entered 834 shares of Bank Atlantic Federal Savings Bank common stock to Seelig's account instead of 834 shares of American Savings of Florida common stock;
3. Due to this error, Seelig incurred a loss of \$1,265.25 in the sale of Bank Atlantic Federal Savings Bank common stock which he believed he held in his account and eventual repurchase at a higher price of the stock to cover his position.

Respondent Wedgewood denied owing any sums to Seelig alleging that:

1. On July 17, 1992, Seelig opened an account in his name at Wedgewood and requested that Wedgewood journal to his new account the stock positions held in the account of the Estate of Estelle K. Seelig;
2. On July 31, 1992, U.S. Clearing Corporation made the journal entries requested by Seelig; however, a U.S. Clearing Corp. clerk used an incorrect CUSIP and subsequently entered 834 shares of Bank Atlantic Federal Savings Bank instead of 834 shares of American Savings of Florida; on this date, the U.S. Clearing Corporation also sent a Statement of Account to Seelig which reflected that Seelig held 834 shares of Bank Atlantic Federal Savings Bank;
3. On August 3, 1992, the U.S. Clearing Corporation caught their error and immediately reversed these entries;
4. On August 14, 1992, the correct shares of American Savings of Florida were mailed to Seelig; accordingly, Seelig had possession of the correct shares of

American Savings of Florida and did not have any shares of Bank Atlantic Federal Savings Bank;

In addition Wedgewood counterclaimed, alleging that the claim was frivolous and that he was required to expend time and money to defend against this action.

RELIEF REQUESTED

Claimant Seelig requested entry of an award in its favor against Wedgewood in the amount of \$1,265.25.

Respondent Wedgewood requested that the panel completely deny all of the relief sought by claimant Seelig and enter an award in their favor for \$2,500 for time effort and expenses associated with this action.

OTHER ISSUES CONSIDERED AND DECIDED

At hearing, Claimant presented a Motion to Dismiss the counterclaim filed by Respondent. After hearing argument, the Arbitrator determined that the Motion would be taken under advisement.

The parties have agreed that a handwritten, signed Award may be entered. In this case, the parties have agreed to receive a conformed copy of the Award while the original remains 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. Respondent/Counter-Claimant Wedgewood Partners, Inc. is liable for and shall pay to Claimant/Counter-Respondent Edward D. Seelig the sum of \$316.31;
2. Respondent/Counter-Claimant Wedgewood Partners, Inc.'s Counterclaim is hereby dismissed with prejudice and denied in its entirety;
3. The parties shall bear their own costs of arbitration, including attorney's fees, except for those specifically enumerated herein;

4. Any relief not specifically granted is hereby denied.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed: One (1) Hearing Session x \$25.00 per session = \$25.00; Total Forum Fees = \$25.00.

— The National Association for Securities Dealers, Inc. shall retain the \$25.00 claim filing fee and the \$25.00 hearing session deposit previously deposited by Claimant Edward D. Seelig. Respondent Wedgewood Partners, Inc. is liable for and shall pay to Claimant Edward D. Seelig the sum of \$25.00 as reimbursement of the claim filing fee.

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

Concurring Arbitrators' Signatures

Name

Date

/s/ Anthony J. Soukenik, Esq.
Anthony J. Soukenik, Esq.
Public Arbitrator

September 20, 1994

For NASD Use Only

Date of Decision: 9-26-94