

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

**Name of Claimant(s)**

L. Paul Zankich

NASD Arbitration

No. 95-00119

**Name of Respondent(s)**

Bear Stearns & Company, Inc.  
Sterling Foster & Company, Inc.

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**REPRESENTATION**

For Claimant: L. Paul Zankich, Seattle, Washington

For Respondents: Shannon L. McDougald, Esq., Keesal, Young &  
Logan, Seattle, Washington

**CASE INFORMATION**

Statement of Claim filed: January 3, 1995

Claimant's Submission Agreement signed: October 18, 1994

Joint Statement of Answer filed by Respondents: March 15, 1995

Respondents' Submission Agreements signed as follows:

Bear Stearns & Company, Inc.: February 27, 1995

Sterling Foster & Company, Inc.: March 16, 1995

**HEARING INFORMATION**

Pre-Hearing Conference Date(s)/Session(s): None

Hearing Date(s)/Session(s): April 18, 1996 (one session)

Hearing Location: Seattle, Washington

**CASE SUMMARY**

Claimant alleged that on March 9, 1993, he instructed J. Gregory & Company, Inc. (J. Gregory) to enter sales orders with respect to shares of Global Spill Management, Inc. (GSMI) stock and that J. Gregory failed to enter the sales orders.

Respondents Bear Stearns & Company, Inc. (Bear Stearns) and Sterling Foster & Company, Inc. (Sterling Foster) denied any liability to Claimant and alleged that they were not responsible for the alleged failure of J. Gregory to execute a trade. Respondents further alleged that Sterling Foster does employ some former registered representatives affiliated with J. Gregory and Sterling Foster, like J. Gregory, has a clearing broker arrangement with Bear Stearns. Respondents further alleged that neither Sterling Foster nor Bear Stearns, as admitted by Claimant, ever failed to act on behalf of Claimant with respect to the transaction in GSMI stock. Respondents further alleged that Claimant does not claim that either Bear Stearns or Sterling Foster had anything whatsoever to do with the alleged omission by J. Gregory; that both firms are named respondents for no apparent reason; and that this matter is, in short, a dispute between Claimant and J. Gregory. Respondents also asserted affirmative defenses.

**RELIEF REQUESTED**

Claimant requested damages in the amount of \$38,656.25 plus interest in the approximate amount of \$9,500.00 plus costs in the approximate amount of \$550.00.

Respondents requested that they be dismissed from the above-captioned matter.

**OTHER ISSUES CONSIDERED AND DECIDED**

Prior to the hearing, the panel of arbitrators was advised of J. Gregory & Company, Inc.'s bankruptcy filing and that the above-captioned matter was stayed with respect to J. Gregory & Company, Inc.

Prior to the hearing, the panel of arbitrators reviewed and considered the positions of the parties relative to the Motion to Dismiss by Respondents Bear Stearns and Sterling Foster. The panel denied the Motion without prejudice.

The parties have agreed that the Award in this matter may be executed in either counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the National Association of Securities Dealers, Inc. (NASD).

#### AWARD

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

1. All claims by Claimant are dismissed.
2. The parties shall each bear their respective costs including attorney's fees.

#### FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain the \$400.00 hearing session deposit previously deposited by the Claimant as costs of this proceeding.

#### ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Frederic E. Dorkin, Esq.	Public Arbitrator
Elwood C. Avery	Public Arbitrator
Peter G. Walker	Industry Arbitrator

Concurring Arbitrators' Signatures

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Frederic E. Dorkin, Esq.

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Elwood C. Avery

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Peter G. Walker

Date of Decision: \_\_\_\_\_

Date Served: June 5, 1996

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Concurring Arbitrators' Signatures

Frederic E. Dorkin, Esq.

  
Elwood C. Avery

Peter G. Walker

Date of Decision: \_\_\_\_\_

Date Served: June 5, 1996

Concurring Arbitrators' Signatures

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Frederic E. Dorkin, Esq.

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Elwood C. Avery

*Peter G. Walker*

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Peter G. Walker

Date of Decision: 5/12/96  
Date Served: June 5, 1996