

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant(s)

Jack Y. Kahn Trust, Jack Y. Kahn, TTEE

95-00825

Name of Respondent(s)

Diane K. Hufferd  
Emmett A. Larkin Company, Inc.  
U.S. Securities Clearing Corp.  
Beckman Investment Securities

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 16, 1995, Claimant Jack Y. Kahn Trust, Jack Y. Kahn, TTEE, who appeared Pro Se, alleged that Respondent Diane K. Hufferd, formerly with U.S. Securities Corp., and currently with Respondent Beckman Investment Securities, canceled a sell order to sell some shares of Supermail International stock that he had ordered to be sold on March 30, 1994. The Claimant further alleged that Respondent Hufferd did not honor his instruction to sell his shares of Denovo stock, telling him that the Denovo stock would reverse split and that Supermail would be distributing dividends, none of which came to pass. Claimant Jack Y. Kahn, TTEE contended that because of the unauthorized cancellation of his sales and Respondent Hufferd's encouragement to continue to hold the shares, he still holds the securities, and should be compensated for damages he has suffered due to the wrongdoing of the Respondents.

Respondents Emmett A. Larkin Company, Inc., Beckman Investment Securities and U.S. Securities Clearing Corp. (Beckman Division of Larkin), through representative and in-house counsel for Emmett A. Larkin Company Inc., Melvin L. Peterson, maintained that at no time are they aware of transactions until after they have occurred and they are never involved in the decision to buy or sell securities of an introduced account. The Respondents further maintained that the cancellation of the trades in question were effected by U.S. Securities Clearing Corp. and confirmed by Emmett Larkin Co. as required, and further that Respondent Diane Hufferd advised her then Branch Manager that the order to cancel came from the Claimant. The Respondents contended that they committed no wrongdoing, and therefore, the claims against them should be dismissed.

Respondent Diane K. Hufferd, who appeared Pro Se, maintained that Claimant ordered the sale of his Supermail International and Denovo stock on March 30, 1994, when she was not there, and that when she returned the next day, she discovered that the Supermail stock had been sold, but the Denovo sale had not gone through. The Respondent also maintained that she then spoke to the Claimant and reminded him about why he invested in these securities, and Claimant changed his mind about the sales.

Respondent Hufferd contended that she then canceled the Supermail International trade of the previous day, in accordance with the Claimant's instructions, and further contended that the claims made against her are completely false, and therefore the claims against her should be dismissed.

### **RELIEF REQUESTED**

Claimant Jack Y. Kahn Trust, Jack Y. Kahn, TTEE, requested \$4,093.75 in actual damages, plus \$5,096.25 in punitive damages, costs and interest.

Respondent Diane K. Hufferd requested that the claims of the Claimant be dismissed.

Respondents Emmett A. Larkin Company, Inc., Beckman Investment Securities, and U.S. Securities (Beckman Division of Larkin) requested that the claims of the Claimant be dismissed.

### **AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Arthur J. Leibell, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 2, 1995 and by the Respondent Diane K. Hufferd on April 10, 1995 and by Respondent Emmett A. Larkin Company, Inc. on April 11, 1995.

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 Jack Y. Kahn Trust, Jack Y. Kahn, TTEE, against Respondents Emmett A. Larkin Company Inc., U.S. Securities Clearing Corp., Beckman Investment Securities and Diane K. Hufferd are dismissed in their entirety.
2. The Claimant's request for punitive damages is denied.
3. 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**

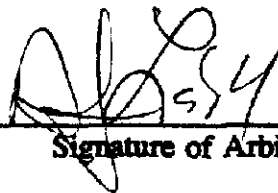
STATE OF

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SS:

COUNTY OF

I, Arthur J. Leibell, 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.

  
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Signature of Arbitrator

DATE OF DECISION: December 21, 1995