

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Thomas Brademas

95-01277

Name of Respondents

Stratton Oakmont, Inc.  
Martin M. Meltzer

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**CASE SUMMARY**

In a claim filed with the National Association of Securities Dealers, Inc. on March 13, 1995, Claimant Thomas Brademas, who appeared Pro Se, alleged that Respondents Stratton Oakmont, Inc. ("Stratton") and Martin M. Meltzer ("Meltzer"), executed unauthorized transactions for his account. Claimant further alleged that on December 1, 1994, he purchased from Respondents 1,000 shares of Dr. Pepper/7UP Company Inc. ("Dr. Pepper/7UP") for \$25,060.00. Claimant contended that a week or so later, Meltzer called him regarding the purchase of Care Group, Inc. ("Care Group") shares. Claimant further contended that he made it clear to Meltzer that he would have to check with his accountant to see if he could access the money. Claimant maintained that his accountant advised him not to invest and that he promptly advised Meltzer of that. Claimant further maintained that Respondents subsequently purchased and then sold 10,000 shares of Care Group for his account without authorization. Claimant further contended that Respondents then sold 55 shares of Dr. Pepper/7UP out of his account without authorization. As a result of the above, Claimant alleged that he has suffered a loss for which the Respondents should be held liable.

Respondents Stratton Oakmont, Inc. and Martin M. Meltzer, through their representative, Gregg R. Evangelist, Esq., of Jericho, NY., maintained that all trades were made with the full knowledge and authorization of the Claimant. Respondents further maintained that on December 8, 1994, Respondent Meltzer recommended that Claimant purchase 30,000 shares of Care Group and Claimant placed an order for 10,000 shares, and said that Respondent Meltzer should call back on the following day regarding the purchase of an additional 20,000 shares. Respondents contended that on the next day, Claimant re-confirmed the purchase of the 10,000 shares of Care Group and declined to purchase any more. Respondents further contended that on December 16, 1994, Respondent Meltzer was forced to sell 10,000 shares of Care Group and 55 shares of Dr. Pepper/7UP to cover the debit in the Claimant's account due to Claimant's failure to pay. As a result of the above, Respondents maintained that they should not be held liable for the Claimant's loss.

**RELIEF REQUESTED**

Claimant Thomas Brademas requested \$5,485.05 in damages representing \$1,828.35 in actual damages, plus triple damages.

Respondents Stratton Oakmont, Inc. and Martin M. Meltzer requested that the claims of the Claimant be dismissed.

**OTHER ISSUES CONSIDERED & DECIDED**

The arbitrator reviewed and considered the additional documentary submissions by Respondents Stratton Oakmont Inc. and Martin M. Meltzer, dated April 19, 1995 and April 24, 1995, which included the December 9, 1994 phone conversation transcript, prior to his determination on the merits.

**AWARD**

Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Gregg Rzepczynski, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Thomas Brademas, on March 9, 1995, and by the Respondent Stratton Oakmont Inc., on April 5, 1995, and by Respondent Martin M. Meltzer, on April 5, 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 Thomas Brademas, against Respondents Stratton Oakmont Inc. and Martin M. Meltzer, are dismissed in their entirety.
2. 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 Thomas Brademas, shall be retained by the NASD, Inc.

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AFFIRMATION

I, GREGG RZEPCHYNSKI, 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: February 26, 1996