

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Richard L. Berman

95-01401

Name of Respondents

Stratton Oakmont, Inc.
Darrell Beall

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc., on March 20, 1995, Claimant, Richard L. Berman, who appeared Pro Se, alleged that Respondent Darrell Beall of the Respondent firm, Stratton Oakmont, Inc., recommended that he purchase 11,000 shares of Dollar Time Common Stock, which was an unsuitable investment based on his written and verbal instructions to Respondent Beall prior to the purchase. The Claimant further alleged that Respondent Beall misrepresented the stock and failed to disclose many vital facts known to Respondents, which, had they been disclosed to him, would have deterred him from purchasing the stock. Claimant Richard Berman contended that Respondents deterred him from selling the stock and from pursuing an action against the firm. As a result of the foregoing, Claimant contended he has suffered damages for which the Respondents should be held liable.

Respondents, Stratton Oakmont, Inc., and Darrell Beall, through their in-house counsel, Gregg R. Evangelist, Esq., maintained that Claimant stated he was an experienced investor who maintained a substantial and active account with Charles Schwab, and further that Claimant established growth and speculation as his investment objectives for his account. Respondents further maintained that the investments made were suitable and that all transactions were done with the authorization of Claimant, and he simply lost money on the transaction. Respondents contended that they committed no wrongdoing, and therefore the claims of the Claimant should be dismissed.

In his reply to the answer, Claimant reiterated that he is entitled to damages he has suffered due to Respondents wrongdoing.

RELIEF REQUESTED

Claimant, Richard L. Berman, requested \$10,000.00 in actual damages, plus punitive damages to be assessed against a Respondents and donated to United Way of National Capital Area in Claimant's name, plus costs and filing fees.

Respondents, Stratton Oakmont and Darrell Beall, requested that the claims of the Claimant be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

The arbitrator reviewed and considered Respondent's Motion to Strike Pleadings. This Motion is denied. All Pleadings were considered.

AWARD

Pursuant to Section 13 of the NASD, Inc., Code of Arbitration Procedure, a single Public Arbitrator, Thomas Corey, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on March 16, 1995, but not by the Respondents as required by Sections 12 and 13 of the NASD Code of Arbitration Procedure.

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. Respondents Stratton Oakmont, Inc. and Darrell Beall are jointly and severally liable and shall pay to Claimant Richard L. Berman \$10,000.00 in actual damages.
2. The Claimant's request for punitive damages is denied.
3. The parties shall bear their respective costs.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers Inc. by the Claimant shall be retained by the NASD. Respondents Stratton Oakmont, Inc. and Darrell Beall are jointly and severally liable and shall pay to Claimant Richard L. Berman \$75.00 as reimbursement of one-half of the filing fee.

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AFFIRMATION

I, Thomas Corey, Esq., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my award.


Thomas Corey, Esq.

Date of Decision: September 12, 1995