

NATIONAL ASSOCIATION OF SECURITIES DEALERS

9607037

In the Matter of the Arbitration Between

Name of Claimant

Jack I. Schnitzer

95-03298

Name of Respondent

James W. Bullard.. Jr.

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Securities Dealers, Inc.

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REPRESENTATION

For Claimant: Jack I. Schnitzer ("Schnitzer ") appeared pro se.

For Respondent: James W. Bullard, Jr. ("Bullard") did not appear.

CASE INFORMATION

Statement of Claim filed: July 11, 1995.

Claimant's Submission Agreement signed on: June 26, 1995.

Respondent did not file an executed Submission Agreement or a Statement of Answer.

HEARING INFORMATION

Pre-Hearing Conference: None Held.

Hearing Date/Session: May 6, 1996 for One (1) session.

Hearing Location: Chicago, Illinois.

CASE SUMMARY

Claimant alleged that Bullard entered into settlement agreements with Schnitzer to compensate Claimant for stocks sold to him and which, despite Bullard's assurances, declined in value or were sold to him for more than the discussed price. The settlement was constructed so as to guarantee a certain return on the investments, but Bullard breached the agreement and never paid the sums due Schnitzer .

Respondent did not respond to the claim.

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RELIEF REQUESTED

Claimant requested entry of an award against Respondent for actual damages of **\$82,805.00** (representing the sum of settlement in **\$67,000.00** plus a purchase of stock that was part of settlement in the sum of **\$15,205.00**) plus punitive damages of **\$16,561.00** (a 20% return of actual damages) for total damages of **\$99,366.00**.

OTHER ISSUES CONSIDERED & DECIDED

Respondent Bullard did not appear at hearing. Pursuant to Section 12 of the NASD Code of Arbitration Procedure, Bullard is required to submit to arbitration. In addition, the Panel reviewed the file, including the correspondence and certified mailings sent to Respondent, and determine that Bullard received due notice of the hearing and Statement of Claim required by Sections 25 and 26 of the NASD Code of Arbitration Procedure. Pursuant to Section 29 of the NASD Code of Arbitration Procedure, the Panel decided that the arbitration would proceed.

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. Respondent James W. Bullard, Jr. is liable for and shall pay to the Claimant, Jack I. Schnitzer, the sum of **\$59,150.00** as damages;
2. The claim for punitive damages is denied;
3. The parties shall bear their own costs of arbitration, including any attorneys' fees, except for those specifically enumerated herein; and
4. Any relief not specifically awarded 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 \$500.00 per session = \$500.00.

The National Association of Securities Dealers, Inc. shall retain the \$150.00 non-refundable claim filing fee and refund the \$500.00 hearing session deposit previously deposited by the Claimant, Jack I. Schnitzer. Respondent James W. Bullard, Jr. is liable for and shall pay to the NASD the sum of \$500.00 as forum fees.

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

Concurring Arbitrators' Signatures

Name

Date

/s/ Lee H. Goodman

June 24, 1996

Lee H. Goodman

Public Arbitrator

Chairperson

/s/ Theodore L. Leeb, Esq.

July 6, 1996

Theodore L. Leeb, Esq.

Public Arbitrator

/s/ Theodore T. Wdowiak

July 1, 1996

Theodore T. Wdowiak

Industry Arbitrator

For NASD Use Only

Date of Decision: July 22, 1996