

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Sutro & Co. Incorporated

NASD Arbitration
No. 95-03390

Name of Respondent(s)

James E. Louderback

REPRESENTATION

For Claimant: David H.S. Commins, Esq., Crosby, Heafey, Roach & May, Oakland, California

For Respondent: No Appearance by James E. Louderback

CASE INFORMATION

Statement of Claim filed: June 26, 1995

Amendment to Claim filed: August 18, 1995

Claimant's Submission Agreement signed: June 28, 1995

Respondent James E. Louderback did not file a Statement of Answer and Submission Agreement. However, he was duly served and is subject to National Association of Securities Dealers, Inc. (NASD) jurisdiction in accordance with Section 8 of the NASD Code of Arbitration Procedure.

HEARING INFORMATION

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

Hearing Date(s)/Session(s): March 8, 1996 (one session)

Hearing Location:

San Francisco, California

CASE SUMMARY

Claimant Sutro & Co. Incorporated (Sutro) alleged that the above-captioned dispute is about a broker who refuses to return money he knows is not his. Claimant further alleged that former Sutro investment executive, James E. Louderback (Louderback) refuses to return \$2,877.00 Sutro paid for his cold-callers; Louderback refuses to return \$26,828.00 Sutro advanced him, (1) for annuity sales to elderly customers which Sutro had to rescind, (2) for Sutro's costs of restoring some of these customers' accounts, and (3) for overpayments resulting from his practice of obtaining advances; and that Louderback refuses to return \$11,113.00 he acknowledges in a promissory note he owes to Sutro.

RELIEF REQUESTED

Sutro requested a minimum award of \$63,100.00.

OTHER ISSUES CONSIDERED AND DECIDED

At hearing, Claimant 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, Claimant agreed to receive conformed copies of the Award while the originals remain on file with the 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. Respondent James E. Louderback is liable for and shall pay to Claimant the sum of \$54,623.00. The panel determined that this amount is awarded due in part to Respondent's apparent fraudulent activities.

2. Respondent James E. Louderback is liable for and shall pay to Claimant the sum of \$300.00 as reimbursement for one half (50%) of Claimant's hearing session deposit.

3. The parties shall each bear their respective costs including attorney's fees.

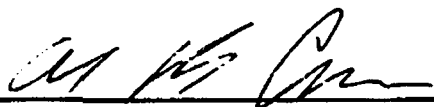
FORUM FEES

Pursuant to Section 44(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain the \$600.00 hearing session deposit previously deposited by Claimant as costs of this proceeding.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Allan B. Currie, LLM	Industry Arbitrator
Marvin G. Breen	Industry Arbitrator
Justin S. Mazzon	Industry Arbitrator

Concurring Arbitrators' Signatures



Allan B. Currie, LLM

Marvin G. Breen

Justin S. Mazzon

Date of Decision: _____

Date served: 4/4/96

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Concurring Arbitrators' Signatures

Allan B. Currie, LLM



Marvin G. Breen

Justin S. Mazzon

Date of Decision: _____

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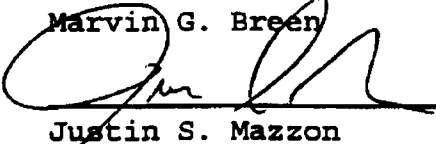
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Justin S. Mazzon	Industry Arbitrator

Concurring Arbitrators' Signatures

Allan B. Currie, LLM

Marvin G. Breen


Justin S. Mazzon

Date of Decision: 3/28/96

Date served: 4/4/96