

N A S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Robert L. Williams, Jr.

95-03633

Name of Respondent

Josephthal Lyon & Ross Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 27, 1995, Claimant Robert L. Williams, Jr. ("Claimant"), who appeared Pro Se, alleged that Respondent Josephthal Lyon & Ross Inc. ("Respondent"), failed to safely receive and process his SciClone Pharmaceutical, Inc. Warrants certificate ("the "Warrants") mailed on July 29, 1993. Claimant further alleged Respondent did not safely receive and process the Warrants until September 1, 1993, and did not redeem them until February, 1994 but by that time market value had plummeted. Claimant contended that Respondent's agent Marc Tesio gave Claimant false and misleading information regarding the receipt and processing of the Warrants. Claimant further contended that on August 24, 1993, Respondent executed an unauthorized sale of 150 Embrex shares to cover an \$842.00 debt resulting from Respondent's mishandling of the SciClone Warrants redemption. Claimant alleged that as a result of the above, he has suffered a loss for which the Respondent should be held liable.

Respondent Josephthal Lyon & Ross Inc., through its representative and in-house counsel, Eric Ross, Esq., maintained that Claimant could not have mailed the SciClone Warrants until September 1, as evidenced by Respondent's strict mail procedures, Claimant's delay in inquiry regarding the alleged Warrants redemption, and the NASD District office's subsequent determination of no mismanagement. Respondent further maintained that the August 24, 1993 unauthorized liquidation of 150 Embrex shares resulted from Claimant's indebtedness of \$842.00 due to his August 5, 1993 acquisition of 1000 Embrex shares, and his subsequent refusal to pay balance despite repeated notices from Respondent's clearing agent. Respondent contended that Claimant is not owed any restitution from this Embrex Sale as he neither paid for or owned these shares, and compensation would thus be unjust enrichment. Respondent further contended that as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimant Robert L. Williams, Jr., requested \$4,196.00 in actual damages.

Respondent Josephthal Lyon & Ross Inc., requested that the claims of the Claimant be dismissed in their entirety.

AWARD

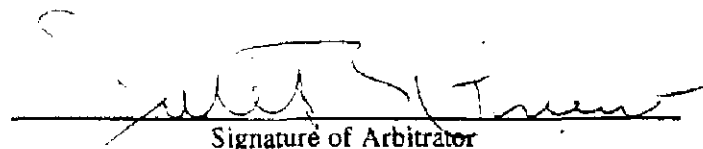
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Jule B. Greene, Esq., was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant Robert L. Williams, Jr., on July 24, 1995, and by the Respondent Josephthal Lyon & Ross Inc., on October 6, 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 Robert L. Williams, Jr., against the Respondent Josephthal Lyon & Ross Inc., are denied in their entirety.
2. The parties shall bear their respective costs.
3. The \$125.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Robert L. Williams, Jr., shall be retained by the NASD, Inc.
4. All other relief requests are denied.

AFFIRMATION

I, **JULE B. GREENE, ESQ.**, 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.


Signature of Arbitrator

DATE OF DECISION: January 23, 1996