

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Charles T. and Alice B. Radcliff

95-03965

Name of Respondents

Stratton Oakmont, Inc.
Stephen G. Buxton

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on August 17, 1995, Claimants Charles T. and Alice B. Radcliff ("Claimants"), who appeared Pro Se, alleged that Respondents Stratton Oakmont, Inc. (SOI), and Stephen G. Buxton ("Buxton"), advised them to purchase 200 units (400 shares plus 400 warrants) at \$7.00 per share, 1500 shares at \$6.125 and 1500 shares at \$5.75 of Ovalstar Technologies from February 6, 1995 through February 14, 1995. Claimants further alleged that Buxton's initial analysis indicated the share price would open at \$7.00, but could go as high as \$20.00. Claimants contended that on February 16, 1995, Buxton notified them of problems with the stock that could cause it to fall below its issue price, and advised them to buy 5000 shares of Master Glaziers Karate International (KICK) at \$3.25. Claimants further contended that Buxton claimed to have special knowledge of the company, and that the share price would increase 2-3 points quickly. Claimants alleged that on February 17, 1995, they phoned Buxton to complain at losses incurred from holding the KICK shares, and were advised to hold them because the price would soon increase. Claimants further alleged SOI was the primary market maker for KICK shares, held a large position in KICK and unloaded KICK via its retail sales network upon learning adverse news. Claimants contended that as a result of the above, they have suffered a loss for which the Respondents should be held liable.

Respondent Stratton Oakmont, Inc. and Stephen G. Buxton, through their representative, Andrew F. Greitz, Jr., Esq., of Wexler & Burkart, P.C., maintained that all investment activities on behalf of Claimants were properly supervised in accordance with applicable status, rules and regulations at the appropriate self-regulatory organizations. Respondents further maintained that confirmations and monthly account statements were timely sent and not timely objected to, thus constituting ratification and acceptance of the transactions. Respondents contended that as of February 28, 1995, Claimants could have acted to mitigate their actual losses but failed to do so. Respondents further contended that adverse news regarding KICK, namely the Hanover Sterling/Adler Coleman bankruptcy, had no relation to Stratton Oakmont, Inc., except the effect on the share price of house stocks. Respondents maintained that the Claimant's complaint was investigated by Respondents' compliance department, reported to the SEC on August 2, 1995, whereupon no improprieties were found. Respondents further maintained that as a result of the above, they should not be held liable.

RELIEF REQUESTED

Claimants Charles T. and Alice B. Radcliff, requested \$10,000.00 in actual damages.

Respondents Stratton Oakmont, Inc. and Stephen G. Buxton, requested that the claims of the Claimant be dismissed in their entirety.

AWARD

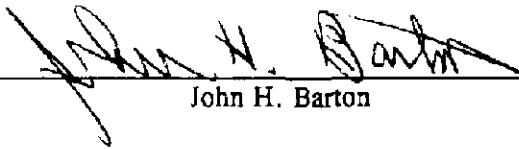
Pursuant to Section 13 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, John H. Barton, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Charles T. and Alice B. Radcliff, on July 15, 1995, and by the Respondent Stratton Oakmont, Inc., on September 8, 1995, and by Respondent Stephen G. Buxton, on September 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 Claimants Charles T. & Alice B. Radcliff, against Respondents Stratton Oakmont, Inc. and Stephen B. Buxton, are denied 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 Claimants Charles T. and Alice B. Radcliff, shall be retained by the NASD, Inc.

AFFIRMATION

I, JOHN H. BARTON, 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.



John H. Barton

DATE OF DECISION: January 12, 1996