

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claim

Jacques J. Roomans

95-04223

Name of Respondent(s)

Bear Stearns & Company

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Securities Dealers, Inc.

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REPRESENTATION

For Claimant appeared John T. Morin, Esq. of Wormser, Kleiy, Galef & Jacobs located in New York, New York.

For Respondent appeared James M. Hubbert, Esq. in house counsel for Bear Stearns & Co. Inc. located in New York, New York.

CASE INFORMATION

The Statement of Claim was filed on September 1, 1995. Claimant's Submission Agreement was signed on September 1, 1995.

The Statement of Answer was filed by Respondent on November 13, 1995. Respondent's Submission Agreement was signed on November 10, 1995.

HEARING INFORMATION

Hearing Dates/Sessions:	June 3, 1996	2 Session
	June 4, 1996	3 Sessions

The hearings were held at the NASD offices located in New York, New York.

CASE SUMMARY

Claimant alleged that since 1991, when he signed the customer agreement, he has maintained an account with respondent and that, by another agreement, Bear Stearns Security Corp. acted as the clearing agent for all securities bought and sold for his account. Claimant stated that these two documents bear his signature as well as at least two other documents respondent has on file. Claimant further stated that his account was handled exclusively by Mr. Dines of Dines Portfolio Management Company. Claimant contended that Dines dealt with Michael Maiden, an account executive of respondent, and that claimant, himself, has never had any direct contact with anyone employed by respondent.

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Claimant argues that respondent failed to investigate two forged letters of instruction which resulted in respondent transferring money from claimant's account. Claimant stated that the first letter was sent to Bear Stearns Securities Corp. in Brooklyn allegedly from claimant's office in Nigeria while claimant was in Australia. The letter instructed \$80,000 to be transferred from his account. Claimant contended that Maiden's assistant sent a facsimile to Dines to confirm the transfer but that when Dines called to inquire about the transfer, since it was out of the ordinary activity for the account, it had already taken place.

Claimant stated that there was a second letter, purportedly signed by claimant, instructing respondent to transfer \$50,000 from claimant's account. Claimant claimed respondent completed the transfer on the same day the letter was received without attempting to contact claimant or Dines.

Claimant maintained that immediately upon his learning of the withdrawals, he contacted Maiden to tell him he had not authorized the transfer and demanded reimbursement.

Respondent maintained that claimant, in fact, had an account with them that was serviced by Maiden and that Dines conducted all the activity in the account. In addition, respondent maintained that it complied with the two letters of instruction and investigated the allegations in the letter from claimant alleging that he did not authorize the transfers.

Respondent argued that Maiden, upon receipt of the first letter on claimant's original letterhead, compared the signature with those on file and contacted Dines before the transfer was effected. Respondent claimed that Dines never requested the transfer be halted. Respondent further claimed that they contacted Dines Portfolio when they received the second letter of instruction, and when no objection was received they effected the transaction.

Respondent argued that upon receiving claimant's letter disavowing the transfers, they investigated the transfers and was told by Commercial Trust Bank of Nigeria that a person with a Nigerian passport in the name of Jack Jeyobo Roomans received the funds;

RELIEF REQUESTED

Claimant requested:

1. actual damages in the amount of \$130,000.00,
2. lost income potential in the amount of \$56,550.00,
3. punitive damages in the amount of \$25,000.00, and
4. costs and fees including attorney's fees.

Respondent requested that the claim be dismissed in its entirety and that claimant be assessed all costs and fees associated with this action.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

The parties were informed of their rights under the code and, on the record, agreed to proceed with the

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hearing with only two arbitrators when the third arbitrator was unable to complete the scheduled hearings.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing and post hearing submissions, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Bears Stearns & Co., Inc. hereby is liable and shall pay claimant the sum of \$140,000 in compensatory damages.
2. Each party shall bear their own attorneys.
3. All other claims are hereby dismissed.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the arbitrators have determined that the NASD shall retain the \$200.00 non-refundable filing fee submitted by claimant and have assessed the following forum fees:

5 Sessions x \$750.00

\$3,750.00

Total Forum Fees

\$3,750.00

Less claimant's hearing session deposit

\$ 750.00

Total due

\$3400.00

The arbitrators have determine to assess the total cost of arbitration against Respondent Bear, Stearns & Co., Inc. Therefore Respondent shall reimburse Claimant the sum of \$950.00 which represents the non-refundable filing fee and the hearing session deposit previously paid by claimant. Respondent is liable and shall pay to the NASD the sum of \$3,00.00 which represents the total outstanding forum fees.

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

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ARBITRATORS' SIGNATURES

Lawrence Pittore
Public Chairperson

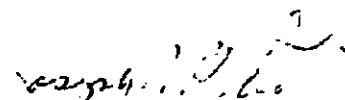


Joseph M. Triolo
Industry Panelist

I, Lawrence Pittore, do hereby affirm pursuant to Article 7507 of the Civil practice law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Lawrence Pittore

I, Joseph M. Triolo, do hereby affirm pursuant to Article 7507 of the Civil practice law and Rules, that I am the individual described herein, and who executed this instrument which is my award.



Joseph M. Triolo

NASD Date of Decision: August 23, 1996

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ARBITRATORS' SIGNATURES



Lawrence Pittore
Public Chairperson

Joseph M. Triolo
Industry Panelist

I, Lawrence Pittore, do hereby affirm pursuant to Article 7507 of the Civil practice law and Rules, that I am the individual described herein, and who executed this instrument which is my award.



Lawrence Pittore

I, Joseph M. Triolo, do hereby affirm pursuant to Article 7507 of the Civil practice law and Rules, that I am the individual described herein, and who executed this instrument which is my award.

Joseph M. Triolo

NASD Date of Decision: August 23, 1996