

**N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

In the matter of the Arbitration Between

**Name of Claimant(s)**

Joseph Z. Ehrlich and Judith Ehrlich

NASD Arbitration  
No. 95-04850

**Name of Respondent(s)**

Smith Barney, Inc., Joanne D. Astle and S. Michael Astle

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**REPRESENTATION**

For Claimants:

Thomas M. Adams, Esq.  
Marina del Rey, California

For Respondents:

Sean J. Coughlin, Esq.  
Smith Barney, Inc.  
New York, New York

**CASE INFORMATION**

|   |                  |
|---|------------------|
| Statement of Claim filed:                                     | October 16, 1995 |
| Claimants' Submission Agreement signed:                       | October 9, 1995  |
| Joint Statement of Answer filed by Respondents:               | December 8, 1995 |
| Respondent S. Michael Astle's<br>Submission Agreement signed: | April 29, 1996   |

## **HEARING INFORMATION**

Hearing Date(s) / Session(s):

September 26, 1996 (2 sessions)

September 27, 1996 (1 sessions)

October 22, 1996 (2 sessions)

Hearing Location:

Los Angeles, California

## **CASE SUMMARY**

Claimants alleged that Respondents made unsuitable investments which caused Claimants to incur substantial losses. Specifically, Claimants alleged Respondents represented that all the investments made were safe and conservative, when in fact they were speculative and risky given Claimants' background and investment objectives.

Respondents denied Claimant's claims in their entirety.

## **RELIEF REQUESTED**

Claimants sought the following relief:

1. Rescission of, and actual damages for purchases resulting in realized losses of \$50,401;
2. Pre-award interest at 10% to the date of the award;
3. Post-award interest at 10% from the date of the Award;
4. All costs of this NASD action, including the filing fees of \$650.00, any forum fees assessed, plus all other reasonable costs expended by Claimants;
5. Loss in the value of Claimants' assets as depleted compared to the value had the account been suitably managed in accordance with Claimants' investment objectives;

6. Treble damages;
7. Claimants' attorneys' fees at one-third of the Award (which may be calculated easily by taking the amount of an Award without attorney fees, and adding 50% to it); and,
8. Other relief, including punitive damages, as the Arbitration Panel deems just and proper.

### **OTHER ISSUES CONSIDERED AND DECIDED**

The parties have 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, the parties have agreed to receive conformed copies of the Award while the original remains 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. Claimants' claims are denied in their entirety.
2. Claimants are awarded costs in the amount of \$1,115.90.
3. Forum Fees are to be assessed 40% towards Claimants and 60% towards Respondent.

### **FORUM FEES**

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

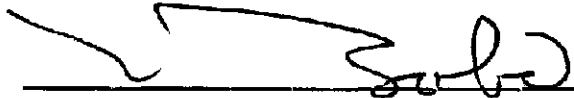
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|--|--------------|
| Five (5) Hearing Sessions @ \$500.00/Session | = \$2,500.00 |
| Total Forum Fees Assessed                    | = \$2,500.00 |
| Claimants' 40% Share                         | = \$1,000.00 |
| Credit for Hearing Session Deposit           | = \$500.00   |
| Claimants' Balance Due                       | \$500.00     |
| Respondents' 60% Share                       | = \$1,500.00 |
| Respondents' Balance Due                     | = \$1,500.00 |

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

**ARBITRATORS**

| <u>Name</u>          | <u>Public / Industry</u> |
|----------------------|--------------------------|
| Merton A. Bobo, Esq. | Public Arbitrator        |
| Leo B. Rotter        | Industry Arbitrator      |
| Vincent Grainger     | Public Arbitrator        |

**Concurring Arbitrators' Signatures**

  
\_\_\_\_\_  
Merton A. Bobo, Esq.

\_\_\_\_\_  
Leo B. Rotter

\_\_\_\_\_  
Vincent Grainger

Date of Decision: \_\_\_\_\_


Date of Service: \_\_\_\_\_

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| <u>Name</u>          | <u>Public / Industry</u> |
|----------------------|--------------------------|
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Leo B. Rotter

  
\_\_\_\_\_  
Vincent Grainger

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JUN 10 1995

WESTERN LABOR RELATIONS

Date of Decision: \_\_\_\_\_

Date of Service: \_\_\_\_\_