

## **AWARD**

**NASD, Regulation, Inc.,  
Office of Dispute Resolution.**

---

In the Matter of the Arbitration Between

**NASD Regulation, Inc.  
No. 95-05856**

David J. Lawson

**Claimant**

vs.

**Bear Stearns Securities Corporation  
Stephen Buxton**

**Respondents**

---

### **REPRESENTATION OF PARTIES**

For Claimant:        Stephen J. Hill, Esq.  
                              Snow, Christensen & Martineau  
                              Salt Lake City, Utah

For Respondent:      Represented by counsel until just prior to hearing;  
                              no appearance at hearing.

### **CASE INFORMATION**

Statement of Claim filed:    December 13, 1995

Claimant's Submission Agreement signed:    December 12, 1995

Respondent's Statement of Answer filed:    February 2, 1996

Respondent Stephen Buxton's Submission Agreement signed:    January 15, 1996

### **HEARING INFORMATION**

The evidentiary hearing was held in Salt Lake City, Utah, on January 29, 1997, and lasted one session.

## **CASE SUMMARY**

Claimant alleged breach of fiduciary duty, breach of contract, negligence, fraud, conversion, unsuitability, violation of federal securities laws and Utah Code Ann., Sections 61-1-1, et seq. with respect to Respondent Buxton's unauthorized purchase of common stock and warrants of Steve Madden Shoes.

Respondent denied the allegations of the claim, and asserted all transactions identified in the claim were carried out in accordance with Claimant's instructions.

## **RELIEF REQUESTED**

Claimant requested damages of approximately \$100,000.00, plus punitive damages, treble damages under Utah Code Ann. Section 61-1-22(2) as well as under 18 USC Section 1964(c), costs and attorney's fees.

Respondent requested dismissal of all claims.

## **OTHER ISSUES CONSIDERED AND DECIDED**

Respondent Bear Stearns Securities Corporation settled out of the case before hearing.

Respondent Stephen Buxton was duly notified through counsel of the date, place and time of the hearing but did not appear. The panel determined to proceed pursuant to Section 10318 of the Code of Arbitration Procedure.

## **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 Stephen Buxton sold securities to Claimant in violation of the Utah Uniform Securities Act.
2. Respondent Stephen Buxton is liable to Claimant for sales of securities in violation of the Utah Uniform Securities Act, within the meaning of Section 61-1-22, Utah Code Ann., and shall pay to Claimant
  - (a) actual damages in the amount of \$56,895.00;
  - (b) interest at 12% per annum from January 4, 1994, to date of payment of this award;
  - (c) \$62,622.00 in punitive damages and attorney's fees, as provided in Section 61-1-22(2), Utah Code Ann., based upon claimant's showing that the violation was reckless or intentional.

3. Respondent Stephen Buxton is liable for and shall pay claimant the sum of \$950, as reimbursement for filing fees and hearing session deposit fees.

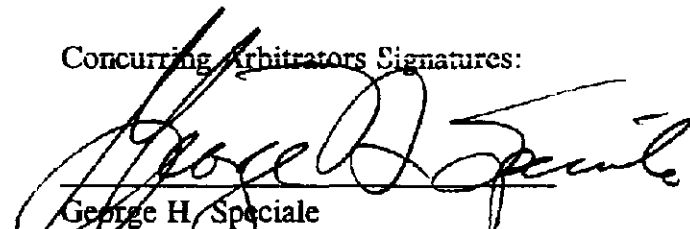
The parties shall bear their respective costs, including attorney's fees.

### FORUM FEES

Pursuant to Section 10332 of the Code of Arbitration Procedure, the NASDR shall retain the \$200.00 filing fee and the \$750.00 hearing session deposit.

Concurring Arbitrators Signatures:

Date signed:

  
George H. Speciale  
Presiding Chairperson  
Public Arbitrator

Feb 18, 97

\_\_\_\_\_  
A. Robert Thorup  
Public Arbitrator

\_\_\_\_\_  
Martin S. Manning  
Securities Industry Arbitrator

Date served: 2/24/1997

3. Respondent Stephen Buxton is liable for and shall pay claimant the sum of \$950, as reimbursement for filing fees and hearing session deposit fees.

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

**FORUM FEES**

Pursuant to Section 10332 of the Code of Arbitration Procedure, the NASDR shall retain the \$200.00 filing fee and the \$750.00 hearing session deposit.

Concurring Arbitrators Signatures:

Date signed:

\_\_\_\_\_  
George H. Speciale  
Presiding Chairperson  
Public Arbitrator

  
\_\_\_\_\_  
A. Robert Thorup  
Public Arbitrator

\_\_\_\_\_  
Martin S. Manning  
Securities Industry Arbitrator

\_\_\_\_\_  
2-18-97  
\_\_\_\_\_

Date served: 2/24/1997

3. Respondent Stephen Buxton is liable for and shall pay claimant the sum of \$950, as reimbursement for filing fees and hearing session deposit fees.

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

**FORUM FEES**

Pursuant to Section 10332 of the Code of Arbitration Procedure, the NASDR shall retain the \$200.00 filing fee and the \$750.00 hearing session deposit.

Concurring Arbitrators Signatures:

Date signed:

\_\_\_\_\_  
George H. Speciale  
Presiding Chairperson  
Public Arbitrator

\_\_\_\_\_  
A. Robert Thorup  
Public Arbitrator

  
\_\_\_\_\_  
Martin S. Manning  
Securities Industry Arbitrator

\_\_\_\_\_  
Date served: 2/24/1997