

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

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

In the matter of the Arbitration Between

Name of Claimants

Samuel C. Chua

v.

NASD Arbitration  
No.96-00643

Name of Respondents

Stratton Oakmont, Inc. Scott Feigelman and Steve Buxton

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**REPRESENTATION**

For Claimant:

Robert A. Uhl, Esq. and  
Philip M. Aidikoff, Esq.  
Aidikoff & Uhl  
Beverly Hills, California

For Respondents:

Jay Marc Israel, Esq.  
Wexler & Burkhardt, P.C.  
Mitchel Field, New York

**CASE INFORMATION**

Statement of Claim filed:

February 13, 1996

Claimant's Submission Agreement signed:

February 8, 1996

Joint Statement of Answer filed by Respondents:

April 9, 1996

Respondent Stratton Oakmont, Inc.'s  
Submission Agreement signed:

March 14, 1996

Respondent Steve Buxton's Submission Agreement signed:

February 26, 1996

### **HEARING INFORMATION**

Hearing Dates / Sessions:

No hearings held

Proposed Hearing Location:

Los Angeles, California

### **CASE SUMMARY**

Claimant alleged that Respondents suggested unsuitable investments, engaged in churning, breached their fiduciary duty, engaged in fraud, and violated federal securities laws, NASD Rules of Fair Practice and NYSE Rules.

Respondents denied the allegations of wrongdoing found in the Claimant's Statement of Claim.

### **RELIEF REQUESTED**

Claimant sought general and compensatory damages of \$48,274.00, return of all profits Respondents generated of \$2,293.00 lost opportunity cost, interest on all sums recovered at the legal rate from October 11, 1994 up to the date of the arbitration award, costs of arbitration, punitive damages and attorney's fees and costs.

Respondents requested that the Statement of Claim be dismissed and that Respondents be awarded their costs of arbitration.

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

In August 1996, the parties to the Chua arbitration signed a document entitled Stipulation of Settlement, Withdrawal and Discontinuance. The document, attached as an exhibit to this Award, provided that:

In the event Stratton fails to make the agreed upon settlement sum, Stratton hereby consents to the entry of an award by the arbitrators in the agreed upon settlement sum upon the filing of an affidavit with the arbitrators specifying Stratton's default pursuant to this stipulation.

On September 20, 1996, the NASD received an affidavit of Philip M. Aidikoff in support of a Default Award. The affidavit is attached as an exhibit to this Award.

### **AWARD**

After considering the pleadings, and the terms of the document entitled Stipulation, Withdrawal and Discontinuance, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Pursuant to the terms of the Stipulation of Settlement , Withdrawal and Discontinuance, Respondent Stratton Oakmont, Inc. is liable to and shall pay Claimant the sum of \$32,000.00 in a check made payable to "Aidikoff & Uhl " as attorneys for Samuel C. Chua".

### **FORUM FEES**

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the NASD will refund Claimant's hearing session deposit. No forum fees are assessed.

## ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Mary Cobb	Industry Arbitrator
Frank Smith	Public Arbitrator
Elizabeth Copley	Public Arbitrator

### Concurring Arbitrators' Signatures

Mary E Cobb

Mary Cobb

\_\_\_\_\_  
Frank Smith

\_\_\_\_\_  
Elizabeth Copley

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

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

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Mary Cobb	Industry Arbitrator
Frank Smith	Public Arbitrator
Elizabeth Copley	Public Arbitrator

Concurring Arbitrators' Signatures

\_\_\_\_\_  
Mary Cobb

\_\_\_\_\_  
Frank Smith

\_\_\_\_\_  
Elizabeth Copley

Date of Decision: Nov 12<sup>th</sup> 1996

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

**ARBITRATORS**

<u>Name</u>	<u>Public / Industry</u>
Mary Cobb	Industry Arbitrator
Frank Smith	Public Arbitrator
Elizabeth Copley	Public Arbitrator

**Concurring Arbitrators' Signatures**

\_\_\_\_\_  
Mary Cobb

\_\_\_\_\_  
Frank Smith

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*Elizabeth Copley*  
Elizabeth Copley

Date of Decision: 11/12/96

Date of Service: 11/9/96