

NASD REGULATION AWARD

In the Matter of the Arbitration Between

Name of Claimants

Michael L. and Tina M. Shore

96-00656

Name of Respondents

Moe Rimson & Co., Inc.
Emmett Larkin & Co.
Edward Veisman

REPRESENTATION

For claimants Michael L. and Tina M. Shore ("claimants") appeared Michael L. Shore.

Respondent M. Rimson & Co., Inc. ("Rimson") did not enter an appearance in this matter.

For respondent Emmett Larkin & Co. ("Emmett Larkin") appeared Melvin Peterson.

Respondent Edward Veisman ("Veisman") appeared pro se.

CASE INFORMATION

Statement of Claim was filed on March 4, 1996. Amendment to Statement of Claim was filed on April 8, 1996. Claimants' Submission Agreement was signed on February 9, 1996.

Rimson did not file a Statement of Answer or a Submission Agreement.

Emmett Larkin's Statement of Answer was filed on March 25, 1996. Emmett Larkin's Answer to the Amendment to the Statement of Claim was filed on April 19, 1996. Emmett Larkin's Submission Agreement was signed on March 25, 1996.

Veisman's Statement of Answer was filed on June 18, 1996. Veisman's Submission Agreement was signed on June 18, 1996.

HEARING INFORMATION

Pre-Hearing Conference:

February 19, 1997

-

One Arbitrator

Hearing Dates/Sessions:

March 14, 1997

- One Session

The hearing was held at the Double Tree Guest Suite Hotel located in Cincinnati, Ohio.

CASE SUMMARY

Claimants alleged that Veisman was an account representative at Rimson and that Emmett Larkin acted as the clearing house for Rimson. Claimants further alleged that, on July 12, 1995, they deposited \$25,008.00 with Emmett Larkin to purchase stock in Twilight Productions, but that, on August 1, 1995 and on September 4, 1995, they received statements showing the money still in a cash account. Claimants asserted that they called Emmett Larkin twice on September 8, 1995 and asked for their cash to be refunded, but that they were told that the disbursement had to be authorized by Rimson.

Claimants alleged that Veisman told them that he could not give Emmett Larkin permission to release the funds and that they had to honor their commitment to buy Twilight Productions at the stated price. Claimants contended that, on October 6, 1995, they received a statement showing that Biotechnology Tools ("BT") had been purchased for their account. Claimants further contended that they never authorized the purchase BT stock and that, when they telephoned Rimson to inquire about it, they were told Veisman had left the firm and that the stock could not be sold because there was no account representative for their account.

Emmett Larkin maintained that it performed duties for claimants' account in the capacity of a clearing firm. Emmett Larkin also maintained that these duties were primarily ministerial and that they exercised no control or discretionary power over claimants' account and did not participate in any of their investment decisions. Emmett Larkin contended that, on September 20, 1995, claimants requested a refund of the money in their account, but that the money could not be returned because 5600 shares of BT had been purchased on September 17, 1995 for settlement on September 21, 1995. Emmett Larkin also contended that, if claimants had contacted Emmett Larkin prior to the purchase of BT, it would have been able to refund claimants' money. Emmett Larkin asserted that at no time would it tell a client that they needed a release from the introducing broker unless there were pending trades that had already been executed.

Veisman maintained that, on July 12, 1995, he opened an account for claimants and that claimants agreed to purchase 2,500 shares of Twilight Productions at \$10.00 per share. Veisman also maintained that he later learned that claimants' cash was still in the account at the time he was preparing to resign from Rimson. Veisman contended that he talked to Mr. Rimson about the money in claimants' account and he was told that someone would speak to claimants. Veisman also contended that claimant's account was transferred to another broker and that he never talked to claimants after July 12, 1995.

RELIEF REQUESTED

Claimants requested an award as to be determined by the panel.

Emmett Larkin requested that claimants' claims against it be dismissed and that it be awarded

attorneys' fees and costs of this action.

Veisman requested that claimants' claims against him be dismissed.

OTHER ISSUES CONSIDERED AND 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 panel determined that respondent Rimson was not served with Notice of the Hearing in this matter and, therefore, all claims against Rimson are dismissed without prejudice.

Upon his request and with the consent of the panel, respondent Veisman testified at the hearing in this matter by telephone.

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. Emmett Larkin be and hereby is liable and shall pay claimants the sum of \$15,000.00 plus interest of \$2,000.00 from September 1, 1995 to April 1, 1997.
2. All claims against Veisman be and hereby are dismissed in their entirety.
3. All requests for attorney fees are denied.
4. All other claims are denied.

FORUM FEES

Pursuant to Rule 10332 of the Code of Arbitration Procedure, the arbitrators have determined that NASD Regulation, Inc. shall retain the \$100.00 non-refundable filing fee previously deposited by the Claimants and have assessed the following forum fees:

| | |
|----------------------------------|------------|
| 1 pre-hearing session x \$300.00 | = \$300.00 |
| 1 hearing sessions x \$400.00 | = \$400.00 |
| Total fees assessed | = \$700.00 |

1. Claimants be and hereby are jointly and severally liable for the sum of \$350.00, representing one-half of the total amount of forum fees assessed. Claimants previously deposited \$400.00 with NASD Regulation and, therefore, NASD Regulation shall refund the sum of \$50.00 to claimants.

2. Emmett Larkin be and hereby is liable for and shall pay to NASD Regulation the sum of \$350.00, representing one-half of the forum fees assessed.

Fees are payable to NASD Regulation, Inc.

Arbitrators' Signatures



Hugh C. Durbin

Chairperson-Public Arbitrator

Wilbur S. Lang, Esq.

Public Arbitrator

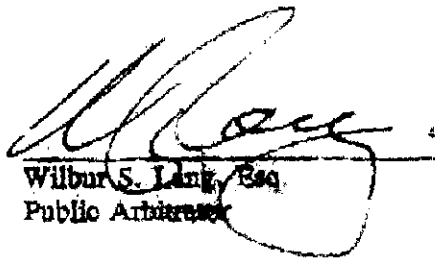
George W. Humm

Industry Arbitrator

Date of Decision: June 11, 1997

Arbitrators' Signatures

Hugh C. Durbin
Chairperson-Public Arbitrator


Wilbur S. Lant, Esq.
Public Arbitrator

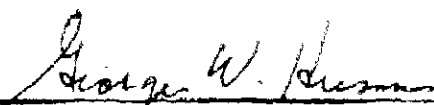
George W. Huston
Industry Arbitrator

Date of Decision: June 11, 1997

Arbitrators' Signatures

Hugh C. Dufin
Chairperson-Public Arbitrator

Wilbur S. Lang, Esq.
Public Arbitrator


George W. Humm
Industry Arbitrator

Date of Decision: June 11, 1997