

N.A.S.D. REGULATION AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION

In the Matter of the Arbitration Between

Name of Claimants

Donald & Dorothy Lebo

96-00985

Name of Respondent

Joseph Roberts & Co., Inc.

REPRESENTATION

Claimants Donald and Dorothy Lebo ("Claimants") were represented at the hearing by Donald Lebo.

Respondent Joseph Roberts & Co., Inc. ("Respondent") was not represented at the hearing.

CASE INFORMATION

The Statement of Claim was filed on March 4, 1996.

Claimants' Submission Agreement was signed on April 9, 1996.

The Statement of Answer was filed by Respondent on June 11, 1996.

Respondent's Submission Agreement was signed on May 28, 1996.

HEARING INFORMATION

Hearing Date/Session: November 22, 1996 - one session

Hearing Location: Doubletree Hotel
Baltimore, Maryland

CASE SUMMARY

Claimants alleged that Respondent, acting through registered representative George Greco and/or other employees, acted improperly by engaging in unauthorized transactions in Claimants' joint account with respect to units of Playco Toys (PLAYCOU) and shares of ATC II, Inc. (ATCII). Claimants authorized a purchase of 500 units of PLCOU at \$5 per unit, but that transaction was cancelled by Respondent (without prior notice to, or authorization by, Claimants) because, Respondent asserted in its Answer, the \$5 price was "incorrect." Thereafter, Claimants alleged during a period of time when Claimants were on vacation and were not contacted by Respondent, Respondent bought 500 units of PLAYCOU in the account (at a price of \$25 per unit) without authorization from Claimants, and sold the units at 21. Upon the sale of the PLAYCO units, Claimants' account reflected a net loss of \$1,792 from the PLAYCO transactions. Claimants alleged, during the same time period, Respondent bought 4000 shares of ATCII

at \$2-7/8, at a net cost to Claimants of \$11,522, without any prior authorization or even any discussion with Claimants. Claimants alleged that they requested Respondent sell the security, but action was not taken and Claimants eventually received a "no-bid" letter indicating that Respondent would not be able to sell the stock. Claimants alleged that Respondent's course of dealing with them and their account with respect to trades in Blue Chip Computerware (BCHP), PLAYCO and ATCII included transactions not authorized by the Claimants as well as a failure by Respondent to notify Claimants of activity in their account, and an unexplained failure to execute repeated requests of Claimants to sell the shares of ATCII which had been purchased in Claimants' account without their authorization. Claimants testified that they promptly and regularly inquired of Respondent about unexplained transactions in their account, and had repeatedly complained about unauthorized actions.

Respondent filed an Answer to the Statement of Claim, contending that all transactions in the account were authorized, that changes or corrections to trade confirmations reflected only inadvertent errors, and that Claimants' assertions about unauthorized purchases were inaccurate.

Claimants appeared at the hearing and testified in support of their Statement of Claim. Respondent did not appear at the hearing, although notified of the date, time and place for hearing.

RELIEF REQUESTED

Claimants' Statement of Claim requested damages in the amount of \$28,833. At the hearing, Claimants requested an award of \$19,638, representing a net loss claimed of \$6,478 with respect to PLAYCOU and \$12,760 with respect to ATCII, as well as additional unspecified damages.

In their Answer to the Statement of Claim, Respondents requested that the Statement of Claim be dismissed.

OTHER ISSUES CONSIDERED & DECIDED

The Claimants agreed that a handwritten, signed Award may be entered. In this case, the Claimants agreed to receive a conformed copy 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 arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The claims as to unauthorized transactions with respect to PLAYCOU and ATCII are sustained.
2. The Claimants' claims are, in all other respects denied. Claimants' requests for other relief are also denied.
3. Respondent shall pay to Claimants Donald Lebo and Dorothy Lebo the sum of \$15,000.

FORUM FEES

Pursuant to Section 43 of the Code of Arbitration Procedure, the following Forum Fees are assessed:

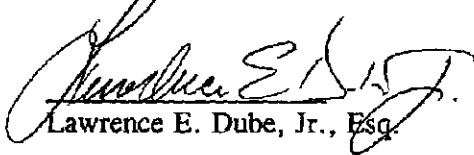
1 hearing session X \$300 = \$300

Respondent is directed to refund Claimants their hearing session deposit of \$300.
retain any filing fee paid by Claimant.

The NASD shall

Arbitrator's Signature

Date


Lawrence E. Dube, Jr., Esq.

12/9/96

Date Award Served by the NASD:

December 10, 1996