

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the matter of the Arbitration Between

Name of Claimant

F. Clark Gardner, M.D.,

v.

NASD Regulation, Inc.
Arbitration No. 96-02076

Name of Respondents

Stratton Oakmont, Inc., Samuel R. Weber,
Daniel M. Porush, Jordan Shamah,
Andrew T. Greene, Paul F. Byrne,
Mathias V. Tiffert, Leonard Dunn, and
Steve Sanders

REPRESENTATION

For Claimant:

Phillip Aidikoff, Esq.
Aidikoff & Uhl
Los Angeles, CA

For Respondent Daniel M. Porush:

Mark E. Gelfand, Esq.
Great Neck, New York

For Respondent Jordan Shamah:

In Pro Per
No Appearance Made

For Respondent Andrew T. Greene:

Steve Mintz, Esq.
Mintz & Gold
New York, New York

For Respondent Steven P. Sanders:

Amal Aly, Esq.
Tenzer Greenblatt, LLP
New York, New York

CASE INFORMATION

Claimant's Statement of Claim filed:	May 7, 1996
Claimant's Amended Statement of Claim filed:	October 1, 1996
Claimant's Submission Agreement signed:	May 7, 1996
Respondent Stratton Oakmont, Inc.'s Statement of Answer filed:	July 12, 1996
Respondent Samuel R. Weber's Statement of Answer filed:	July 12, 1996
Respondent Daniel M. Porush's Statement of Answer filed:	July 12, 1996
Respondent Jordan Shamah's Statement of Answer filed:	July 12, 1996
Respondent Andrew T. Greene's Statement of Answer filed:	July 12, 1996
Respondent Paul F. Byrne's Statement of Answer filed:	July 12, 1996
Respondent Mathias V. Tiffert's Statement of Answer filed:	July 12, 1996
Respondent Leonard Dunn's Statement of Answer filed:	July 12, 1996
Respondent Steven P. Sanders' Cross-Claim filed:	July 12, 1996
Respondent Andrew T. Greene's Statement of Answer to Amended Statement of Claim filed:	December 16, 1996
Respondent Steven P. Sanders' Statement of Answer to Amended Statement of Claim filed:	January 31, 1997
Respondent Andrew T. Greene's Cross-Claim filed:	January 31, 1997

Respondent Paul Byrne's Statement of Answer to Andrew T. Greene's Cross-Claim filed:	February 3, 1997
Joint Statement of Answer to Andrew T. Greene's Cross-Claim by Respondents Mathias Tiffert, Leonard Dunn, and Samuel Weber filed:	January 29, 1997
Respondent Steven P. Sander's Statement of Answer to Andrew T. Greene's Cross-Claim filed:	January 31, 1997
Respondent Steven P. Sanders's Cross-Claim filed:	January 31, 1997
Respondent Stratton Oakmont, Inc.'s Submission Agreement signed:	June 18, 1996
Respondent Daniel M. Porush's Submission Agreement signed:	June 18, 1996
Respondent Samuel R. Weber's Submission Agreement signed:	June 18, 1996
Respondent Jordan Shamah's Submission Agreement signed:	June 18, 1996
Respondent Paul F. Byrne's Submission Agreement signed:	June 7, 1996
Respondent Mathias V. Tiffert's Submission Agreement signed:	June 5, 1996
Respondent Leonard Dunn's Submission Agreement signed:	June 5, 1996
Respondent Steven P. Sanders' Submission Agreement signed:	June 5, 1996

HEARING INFORMATION

Pre-Hearing Conference Date / Session: November 18, 1996 (1 Session)
January 7, 1997 (1 Session)
January 24, 1997 (1 Session)
February 14, 1997 (1 Session)
March 27, 1997 (1 Session)

Hearing Dates / Sessions: April 8, 1997 (2 Sessions)
April 9, 1997 (2 Sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant alleged that the Respondents recommended securities that were unsuitable for his investment objectives and further, made unauthorized transactions on the Claimant's account. Claimant also alleged that the trading that took place on his account constituted excessive activity done only to generate commissions for the Respondents. Claimant alleged that the Respondents' activities constituted a breach of the fiduciary duty they owed to Claimant. Claimant also alleged that Respondents made material misstatements or omissions regarding the securities and the risks inherent to purchasing these types of securities and that these misstatements or omissions were made to defraud the claimant. Claimant further alleged that Respondent Stratton Oakmont and its control persons failed to supervise the activities of their broker.

Respondents Stratton Oakmont, Inc., Daniel Porush, Samuel R. Weber, Jordan Shamah, Andrew T. Greene, Paul Byrne, Mathias Tiffert, Leonard Dunn, and Steven Sanders denied each and every allegation of wrong-doing set forth in the Claimant's Statement of Claim.

Respondent Steven P. Sanders denied each and every allegation of wrong-doing set forth in the Claimant's Amended Statement of Claim.

Respondent Andrew T. Greene denied each and every allegation of wrong-doing set forth in the Claimant's Amended Statement of Claim.

Respondent Andrew T. Greene cross-claimed against all of the other Respondents. Respondent Greene alleged that he did not know of, approve of, give consent to, nor was he involved in the acts of the other Respondents.

Respondents Mathias Tiffert, Leonard Dunn, and Samuel Weber denied each and every allegation of wrong-doing set forth in Respondent Andrew T. Greene's Cross-Claim.

Respondent Paul F. Byrne denied each and every allegation of wrong-doing set forth in Andrew T. Greene's Cross-Claim. Respondent Byrne alleged that he was not registered as a principal and was not in a supervisory position.

Respondent Steven P. Sanders denied each and every allegation of wrong-doing set forth in Respondent Andrew T. Greene's Cross-Claim.

Respondent Steven P. Sanders cross-claimed against Respondent Andrew T. Greene. Respondent Sanders alleged that he did not know of, approve of, consent to, nor was involved in any of the misconduct. Respondent further alleged that any of the wrong-doing was the sole responsibility of Andrew T. Greene.

RELIEF REQUESTED

Claimant requested general and compensatory damages in the amount of \$184,583.00. Claimant requested \$49,575.00 for the commissions paid to Respondents for trading the account. Claimant also requested lost opportunity costs, interest, punitive damages, and attorney fees.

Respondents requested the dismissal of the Claimant's claims, costs, fees and expenses.

Respondent Andrew T. Greene requested indemnity against all other Respondents if liability is found.

Respondents Mathias Tiffert, Leonard Dunn, and Samuel Weber requested the dismissal of Respondent Andrew T. Greene's cross-claim.

Respondent Paul F. Byrne requested the dismissal of Respondent Andrew T. Greene's cross-claim.

Respondent Steven P. Sanders requested the dismissal of Respondent Andrew T. Greene's cross-claim.

Respondent Steven P. Sanders requested indemnity from Andrew T. Greene if liability is found.

OTHER ISSUES CONSIDERED AND DECIDED

Respondents Stratton Oakmont Inc., Samuel R. Weber, and Paul F. Byrne declared bankruptcy which stayed the arbitration as to each of them.

Respondents Mathias V. Tiffert and Leonard Dunn were dismissed from this action by the arbitrators on February 19, 1997.

Prior to the arbitration, Respondents Greene and Sanders withdrew their Cross-Claims from this action.

Although Respondent Jordan Shamah did not attend the arbitration, the Arbitration Panel found that Respondent Jordan Shamah had been properly served with notice of the arbitration filed against him as well as the time, date and location of the scheduled hearing.

The Panel recognizes that Respondent Greene and Respondent Sanders had no direct contact with Claimant. The Award against Respondent Greene and Respondent Sanders is premised upon their participation in the overall business of Stratton-Oakmont, Inc.

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 Regulation, Inc. Office of Dispute Resolution.

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. Respondents Daniel Porush, Jordan Shamah, Andrew Greene and Steve Sanders, jointly and severally, are liable to and shall pay Claimant compensatory damages in the amount of \$184,583.00.
2. Respondents Daniel Porush, Jordan Shamah, Andrew Greene and Steve Sanders, jointly and severally, are liable to and shall pay Claimant interest at 10% commencing from December 12, 1995 through April 10, 1997, in the amount of \$24,375.00.
3. Respondent Daniel Porush is liable to and shall pay Claimant punitive damages in the amount of \$4,000,000.00.

4. Respondent Jordan Shamah is liable to and shall pay Claimant punitive damages in the amount of \$2,000,000.00.
5. Respondent Andrew Greene is liable to and shall pay Claimant punitive damages in the amount of \$2,000,000.00.
6. Respondent Steve Sanders is liable to and shall pay Claimant punitive damages in the amount of \$2,000,000.00.
7. All punitive damages were made pursuant to the authority presented in Claimant's Arbitration Brief at pages 9 - 10.
8. Respondents Daniel Porush, Jordan Shamah, Andrew Greene and Steve Sanders, jointly and severally, are liable to and shall pay Claimant his initial filing fee of \$200.00.
9. Claimant's claim for attorney's fees is denied in its entirety due to a failure of proof.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

Two (2) Pre-Hearing Conferences @ \$300.00/Session	= \$600.00
Three (3) Pre-Hearing Conferences @ \$750.00/Session	= \$2,250.00
<u>Four (4) Hearing Sessions @ \$750.00/Session</u>	<u>= \$3,000.00</u>
Total Forum Fees Assessed Against Respondents (jointly and severally)	= \$5,850.00
 Respondents' Balance Due	 = \$5,850.00

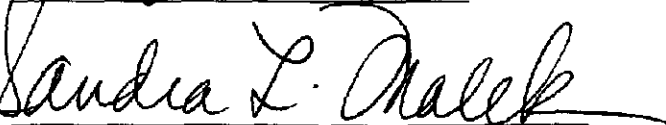
Claimant's Hearing Session Deposit in the amount of \$750.00 shall be refunded by the NASD Regulation, Inc.

Fees are payable to NASD Regulation, Inc.

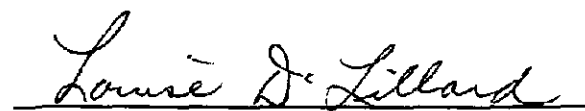
ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
Sandra L. Malek, Esq.	Public Arbitrator
Mary E. Cobb	Industry Arbitrator
Louise D. Lillard, Esq.	Public Arbitrator

Concurring Arbitrators' Signatures


Sandra L. Malek, Esq.


Mary E. Cobb


Louise D. Lillard, Esq.

Date of Decision: _____

Date of Service _____