

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Robert K. Smith, (Claimant) vs. Bear Stearns Securities Corp. and Ronald Heineman,
(Respondents)

Case Number: 96-02452

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Robert K. Smith, hereinafter referred to as "Claimant", appeared *pro se*.

Respondent, Bear Stearns Securities Corp. ("BSSC"): Arthur D. Felsenfeld, Esq., Andrews & Kurth L.L.P., New York, NY. Previously represented by: Daniel S. Taub, Esq., Bear, Stearns & Co., Inc., Legal Department, New York, NY.

Respondent, Ronald Heineman ("Heineman"): Steven J. Shore, Esq., Ganfer & Shore (formerly Schwarzfeld, Ganfer & Shore), New York, NY. Mr. Heineman originally appeared *pro se*.

CASE INFORMATION

Statement of Claim filed on or about: June 5, 1996.

Response to Heineman's Motion to Dismiss filed by Claimant on or about: November 18, 1996.

Claimant signed the Uniform Submission Agreement: June 6, 1996.

Statement of Answer and Motion to Dismiss filed by BSSC on or about: July 29, 1996.

Memorandum in Support of its Motion to Dismiss filed by BSSC on or about: October 1, 1996.

BSSC signed the Uniform Submission Agreement: July 29, 1996.

Statement of Answer filed by Heineman on or about: July 31, 1996.

Motion to Dismiss filed by Heineman on or about: January 2, 1997.

Heineman signed the Uniform Submission Agreement: July 31, 1996.

CASE SUMMARY

Claimant asserted the following causes of action: unauthorized trades; unregistered sale of securities; violation of fiduciary duty; and failure to supervise. Claimant's claim involved the stocks of Marvel Entertainment, Vintage Properties, and Spaceplex Amusement Centers.

Unless specifically admitted in its Answer, BSSC denied the allegations made in the Statement of Claim and asserted the following defenses: as a clearing broker, BSSC has no responsibility for the sales practices of registered representatives for whom it clears; Claimant was fully informed of BSSC's limited role; BSSC had no control over Claimant's account, nor any direct contact with Claimant; and as a matter of law and express agreement, Claimant cannot hold BSSC liable for the alleged wrongdoing of an introducing broker.

Unless specifically admitted in his Answer, Heineman denied the allegations made in the Statement of Claim and asserted the following defenses: Claimant was fully aware of and agreed to each purchase made in his account; neither the firm nor the broker were required to be registered in Claimant's home state at the time of sale; Claimant failed to take steps to limit his alleged losses; and any damages sustained by Claimant were the result of market conditions and Claimant's timing, over which Heineman had no control.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$46,680.00.

BSSC requested that the Statement of Claim be dismissed in all respects, and that costs be awarded to BSSC as provided under law.

Heineman requested that Claimant's claim against him be dismissed.

OTHER ISSUES CONSIDERED AND DECIDED

During the pre-hearing conference that took place on November 4, 2002, the Panel heard oral argument on the Motions to Dismiss made by BSSC and Heineman. After due consideration, the Panel has decided to grant the Motions to Dismiss.

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.

AWARD

After considering the pleadings, including the Motions to Dismiss made by BSSC and Heineman and all responses thereto, and the oral arguments presented at the pre-hearing conference, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims against BSSC are hereby dismissed in their entirety.
2. Claimant's claims against Heineman are hereby dismissed in their entirety.
3. All parties are responsible for their counsels' legal fees and expenses.
4. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:
Initial claim filing fee = \$120.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Bear Stearns Securities Corp. is a party.

Member surcharge = \$200.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with Panel x \$400.00 = \$800.00

Pre-hearing conferences:	August 13, 2002	1 session
	November 4, 2002	1 session

Total Forum Fees = \$800.00

1. The Panel has assessed \$400.00 of the forum fees against Claimant.
3. The Panel has assessed \$400.00 of the forum fees jointly and severally against BSSC and Heineman.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. BSSC, requested copies, \$10.75.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$120.00
Forum Fees	= \$400.00
Total Fees	= \$520.00
Less payments	= \$520.00
Balance Due NASD Dispute Resolution	= \$ 0.00

2. BSSC is solely liable for:

Member Fees	= \$200.00
Administrative Costs	= \$ 10.75
Total Fees	= \$210.75
Less payments	= \$ 15.75
Balance Due NASD Dispute Resolution	= \$195.00

3. BSSC and Heineman are jointly and severally liable for:

Forum Fees	= \$400.00
Total Fees	= \$400.00
Less payments	= \$200.00
Balance Due NASD Dispute Resolution	= \$200.00


All balances are payable to NASD Dispute Resolution, and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Garrett J. Dombrowski, Esq.	-	Non-Public Arbitrator, Presiding Chair
Murray P. Lennard, Esq.	-	Public Arbitrator
Mitchell S. Friedman, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Garrett J. Dombrowski, Esq.
Non-Public Arbitrator, Presiding Chair

November 14, 2002
Signature Date

Murray P. Lennard, Esq.
Public Arbitrator

Signature Date

Mitchell S. Friedman, Esq.
Public Arbitrator

Signature Date

November 26, 2002
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

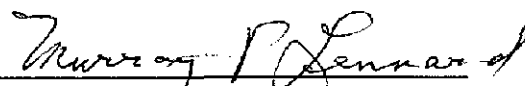
Garrett J. Dombrowski, Esq.	-	Non-Public Arbitrator, Presiding Chair
Murray P. Lennard, Esq.	-	Public Arbitrator
Mitchell S. Friedman, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Garrett J. Dombrowski, Esq.
Non-Public Arbitrator, Presiding Chair

Signature Date


Murray P. Lennard, Esq.
Public Arbitrator

11/15/02
Signature Date

Mitchell S. Friedman, Esq.
Public Arbitrator

Signature Date

November 26, 2002

Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Garrett J. Dombrowski, Esq.	-	Non-Public Arbitrator, Presiding Chair
Murray P. Lennard, Esq.	-	Public Arbitrator
Mitchell S. Friedman, Esq.	-	Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.

Garrett J. Dombrowski, Esq.
Non-Public Arbitrator, Presiding Chair

Signature Date

Murray P. Lennard, Esq.
Public Arbitrator

Signature Date



Mitchell S. Friedman, Esq.
Public Arbitrator

Signature Date

November 26, 2002

Date of Service (For NASD Dispute Resolution use only)

11/15/02