

N.A.S.D. REGULATION, INC.
AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Alvin Blick

96-02684

Name of Respondents

Stratton Oakmont, Inc.;
Paul N. Sewcharran;
Daniel M. Porush;
Jordan I. Shamah;
Andrew T. Greene;
Paul F. Byrne;
Mathias V. Tiffert; and
Leonard Dunn

REPRESENTATION

For Claimant: Alvin Blick ("Blick") was represented by Linda C. Frazier, Esq., located in Chicago, Illinois.

For Respondent: Paul Sewcharran ("Sewcharran") appeared pro se. Respondents Jordan I. Shamah, Paul F. Byrne, Mathias V. Tiffert and Leonard Dunn did not appear at hearing, but represented themselves. Respondent Stratton Oakmont, Inc. was represented by Ormsten & Evangelist, located in Jericho, New York. Respondent Andrew T. Greene did not appear at hearing, but was represented by Schlam Stone & Dolan, New York, New York. Respondent Daniel M. Porush was represented by Mark E. Gelfand, Esq., located in Great Neck, New York.

CASE INFORMATION

Statement of Claim filed: June 24, 1996.

Claimant's Submission Agreement signed on: June 18, 1996.

Amended Claim filed on: February 17, 1997.

Statement of Answer filed by Respondent Stratton Oakmont on: August 21, 1996.

Respondent Stratton Oakmont's Submission Agreement signed on: August 12, 1996.

Statement of Answer filed by Respondent Sewcharran on: August 21, 1996.
Respondent Sewcharran's Submission Agreement signed on: August 9, 1996.

Statement of Answer filed by Respondent Greene on: August 21, 1996.

Respondents Porush, Shamah, Byrne, Tiffert and Dunn did not file an Answer or an executed submission agreement. Respondent Greene did not file an executed submission agreement.

HEARING INFORMATION

Pre-Hearing Conference: None Held.
Hearing Date/Sessions: April 8, 1998 for Two (2) sessions.
Hearing Location: Chicago, Illinois.

CASE SUMMARY

Claimant alleged that Sewcharran recommended unsuitable stocks and warrants that were extremely risky and intentionally withheld information regarding securities. Based upon these allegations, Blick asserted claims for violation of the federal and state securities laws; churning; breach of contract; unsuitable recommendations; misrepresentations and omissions; breach of fiduciary duty. In addition, claims were brought against Stratton Oakmont, Inc. under respondeat superior and Section 20 liability and against the remaining respondent based upon control person liability.

Respondent Sewcharran denied the material allegations of the Statement (and Amended Statement) of Claim, alleging that Claimant was fully aware of and directed every trade; fully understood the risks of the trading activity; and confirmed his ability to bear the risk of loss. In addition, Respondent asserted several affirmative defenses.

RELIEF REQUESTED

Claimant requested entry of an award against Respondent for rescission of the investments; for a total damage claim of no less than \$31,000.00 plus interest; costs; filing fees and for such other relief as the arbitrators deemed appropriate.

Respondent requested that the claims be dismissed in the entirety, and that Respondent be awarded attorneys' fees and costs.

OTHER ISSUES CONSIDERED & DECIDED

Respondents Stratton Oakmont, Inc., Jordan I. Shamah, Andrew T. Greene, Paul F. Byrne, Mathias V. Tiffert and Leonard Dunn filed for bankruptcy under the Bankruptcy Code. Pursuant to these filings, all matters regarding these Respondents were indefinitely stayed.

At hearing, Claimant notified the panel that the claims against Respondent Porush were settled. In addition, Respondent Sewcharan requested permission to appear by telephone at the hearing. After consideration of the parties arguments, the panel determined that the request would be granted.

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.

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. The claims asserted against Respondent Paul Sewcharan are dismissed with prejudice and denied in the entirety;
2. The parties shall bear their own costs of arbitration, including attorneys' fees, except for those specifically enumerated herein; and
3. Any relief not specifically awarded is hereby denied.

OTHER COSTS

Pursuant to Rule 10333 of the Code, Respondent Stratton Oakmont, Inc. shall pay to NASD Regulation, Inc. the \$200.00 past due member surcharge previously invoiced.

FORUM FEES

Pursuant to Rule 10332[c] of the Code of Arbitration Procedure, the following Forum Fees

are assessed: Two (2) hearing sessions x \$400.00 per session = \$800.00.

NASD Regulation, Inc. shall retain the \$120.00 claim filing fee and, as forum fees, the \$400.00 hearing session deposit previously paid by the Claimant, Alvin Blick. Respondent Paul Sewcharan is liable for and shall pay to NASD Regulation, Inc. the sum of \$400.00 as forum fees.

Fees are payable to the NASD Regulation, Inc. Office of Dispute Resolution

Concurring Arbitrators' Signatures

Name

Date

/s/ David Muschler, Esq.

May 26, 1998

David Muschler, Esq.

Public Arbitrator

Chairperson

/s/ Burton Silverstein, Esq.

May 28, 1998

Burton Silverstein, Esq.

Public Arbitrator

/s/ Michael J. Stoken

May 26, 1998

Michael J. Stoken

Industry Arbitrator

For ODR Use Only/Date of Decision: June 3, 1998