

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Paul and Norma Vakassian

96-03248

Name of Respondent

Stratton Oakmont, Inc.

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on July 29, 1996, Claimants Paul and Norma Vakassian (Claimants"), who appeared Pro Se, alleged that Respondent Stratton Oakmont, Inc. ("Respondent") through its employee, John Perrone ("Perrone"), used improper sales techniques to induce them to purchase M.H. Meyerson ("MHM") units, an initial public offering, to their detriment. Claimants further alleged that in on January 19, 1994, they were sold 300 units MHM at \$6 1/8 each and 1200 common shares of MHM despite being promised 1500 units at \$4.00 each. Claimant also alleged that Paul Vakassian contacted Perrone about his actions and was told that only large accounts get all units for their investments. Claimants contended that Respondent conducted its business fraudulently and that as a result of the above, they have suffered a loss for which the Respondent should be held liable.

Respondent Stratton Oakmont, Inc. maintained that each and every trade was discussed prior to the transaction. Respondent further maintained that Claimants were fully aware of, and directed, each and every trade in their non-discretionary account; fully understood risks and rewards of their trading activity; and confirmed their financial ability and willingness to bear the risk of loss. Respondent also maintained that Claimants had and 18 month history of consistent and speculative trading. Respondent contended that Claimants did not object in a timely manner, thereby ratifying the trade. Respondent further contended that Claimants realized a profit from their purchase of MHM and to date still hold the warrants. Respondent also contended that as a result of the above, it should not be held liable.

RELIEF REQUESTED

Claimants Paul and Norma Vakassian requested \$2,500.00 for the overcharge, \$1,800.00 for the 1200 units they were not sold and \$5,000.00 in punitive damages.

Respondent Stratton Oakmont requested that the claims be dismissed in their entirety and that it be awarded costs and attorney's fees.

AWARD

Pursuant to Section 10302 of the NASD, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Wayne Parker, was selected to review the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants Paul and Norma Vakassian on July 25, 1996 and not by Respondent Stratton Oakmont, Inc. as is required by Sections 10301 and 10302 of the NASD Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The claims of the Claimants Paul and Norma Vakassian against Respondent Stratton Oakmont, Inc. are denied in their entirety.

3. The parties shall bear their respective costs.

4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants shall be retained by the NASD, Inc.

AFFIRMATION

I, WAYNE PARKER, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATE OF DECISION: October 10, 1996