

9/11/96

AWARD

NASD Regulation, Inc. Office of Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimants

Stanley Levinson
Cristina Hayes

Arbitration No.
96-03649

and

Name of Respondents

Sutro & Company, Inc.
Michael Axelrod

REPRESENTATION OF PARTIES

Stanley Levinson and Cristina Hayes ("Claimants") were represented by Arthur Leider, Investors Arbitration Specialists, Inc., San Diego, California.

Sutro & Company, Inc. and Michael Axelrod ("Respondents") were represented by Michael J. Abbott, Esq., Jones Bell Simpson Abbott Fleming & Taylor, Los Angeles, California.

CASE INFORMATION

The Statement of Claim was filed on or about August 19, 1996.

Claimant's Submission Agreement was signed on July 2, 1996.

The Joint Statement of Answer was filed on or about December 20, 1996.

Sutro & Company's Submission Agreement was signed on November 5, 1996.

Michael Axelrod's Submission Agreement was signed on December 31, 1996.

HEARING INFORMATION

A pre-hearing conference was held on July 21, 1997 which lasted one session.

The hearing was held on November 4 and 5 in San Diego, California. The hearing lasted a total of four sessions.

CASE SUMMARY

Claimants opened an account with respondents Sutro & Co. and its agent Michael Axelrod after attending a seminar given by the Respondents. Claimant Levinson received a sum of money after selling his business and entrusted almost all of it to the Respondents. His objectives were tax free income, with maximum safety. Shortly after opening his account Axelrod began soliciting Levinson to purchase mutual funds and unit trusts, including the Alliance North American Government Income Fund. The Claimants allege the Respondents misrepresented the risks of these investments, the commissions involved and failed to provide the Claimants with a prospectus prior to making the investments.

Respondents denied the allegations set forth in the Statement of Claim.

RELIEF REQUESTED

Claimants requested that the investments be rescinded or in the alternative Claimants seek an award of \$35,000. Claimants request an award of punitive damages in the amount of \$65,000. Additionally, Claimants request an award of legal fees and costs.

Respondents requested that the claims asserted against them be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

The Chairman Yale Smulyan disclosed a prior relationship with Claimants' witness Nadine Savitch. Neither party raised an objection to Mr. Smulyan's continued participation as a member of the arbitration panel.

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 original(s) remain 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. Each and every claim made by the Claimants is denied.
2. Each party to bear its own costs and expenses.

FORUM FEES

Forum fees are calculated at the rate of \$500 per hearing session and \$300 for each pre-hearing conference, if any. There were 5 hearing sessions x \$500 = \$2,500 in forum fees. Pursuant to Rule 10332(b) a hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with an arbitrator, which lasts four (4) hours or less. Pursuant to Rule 10332(c) the parties shall split the forum fees 50%-50%.

Pursuant to Rule 10332(c) of the NASD Code of Arbitration Procedure, the NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable filing fee in the amount of \$150 and shall retain as forum fees the hearing session deposit in the amount of \$500 previously deposited with the NASD Regulation, Inc. Office of Dispute Resolution by the Claimants.

Pursuant to Rule 10333 of the NASD Code of Arbitration Procedure, the NASD Regulation, Inc. Office of Dispute Resolution shall retain the non-refundable member surcharge in the amount of \$300 previously paid by Sutro & Company.

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

Yale H. Smulyan
Yale H. Smulyan, Esq.
Public Arbitrator, Presiding Chair

Dated:

11/14/97

Owen W. Murray
Public Arbitrator

John H. Knight, Jr.
Industry Arbitrator

Date served: 11/21/1997

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Dated:

Yale H. Smulyan, Esq.
Public Arbitrator, Presiding Chair


Owen W. Murray
Public Arbitrator

John H. Knight, Jr.
Industry Arbitrator

11/14/97

Date served: 11/21/1997

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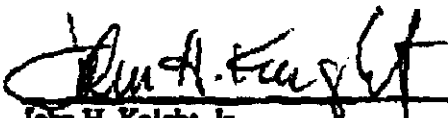
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Dated:

Yale H. Smulyan, Esq.
Public Arbitrator, Presiding Chair

Owen W. Murray
Public Arbitrator


John H. Knight, Jr.
Industry Arbitrator

11/17/97

Date served: 11/21/1997