

AWARD

NASD REGULATION, INC., OFFICE OF DISPUTE RESOLUTION

In the Matter of the Arbitration Between

Name of Claimants

Barry Goodwin & Carol Goodwin

96-04120

Name of Respondents

Stratton Oakmont, Inc.;
Carl Anthony Sampogna;
Michael Joseph Albino;
Daniel Mark Porush

REPRESENTATION

For Claimants: Barry Goodwin and Carol Goodwin were represented by James F. Monafio, Esq. of Husch & Eppenger, located in St. Louis, Missouri.

For Respondents: Respondent Daniel Porush ("Porush") was represented by Mark E. Gelfand, Esq. of Great Neck, New York. The remaining Respondents did not appear at hearing.

CASE INFORMATION

Statement of Claim filed: September 10, 1996.
Amended Statement of Claim filed on: January 2, 1997.
Claimants' Submission Agreement signed on: September 10, 1996.

Statement of Answer filed by Respondent Sampogna on: March 10, 1997.
Statement of Answer filed by Respondent Albino on: March 21, 1997.
Statement of Answer filed by Respondent Porush on: March 3, 1997.
Respondent Porush's Submission Agreement signed on: February 20, 1997.
The remaining Respondents did not file executed submission agreements.

HEARING INFORMATION

Pre-Hearing Conference: May 1, 1997 for One (1) session (Full Panel);
October 30, 1997 for One (1) session (Single Arbitrator).
Hearing Date/Sessions: November 5, 1997 for Two (2) sessions.
Hearing Location: Chicago, Illinois.

CASE SUMMARY

Claimants alleged that Respondents engaged in unauthorized transactions in the sale and purchase of certain common stocks. When these transactions were discovered, the Claimants sent letters to Respondent Porush disputing the transactions, but no response was received.

Respondent Porush denied the material allegations of the claim, alleging that: the claim did not specifically allege any wrongdoing on his part; he was named only because of the bankruptcy of Stratton Oakmont; the recommendations were reasonably based; and all transactions were fully authorized by the Claimants. In addition, Porush asserted several affirmative defense and asserted a Motion to Dismiss.

Respondent Albino denied the material allegations of the claim, alleging that he was not the broker of record; the transactions were authorized by the Claimants; and that his only contact with the Claimants was to investigate the alleged unauthorized transactions and maintain good customer relations. In addition, Albino asserted affirmative defenses.

Respondent Sampogna denied the material allegations of the claim, alleging that the trades were carried out in accordance with the Claimant's instructions and that trades were canceled when it was determined that Claimants were not going to pay for the transactions. Sampogna's answer asserted several affirmative defenses.

RELIEF REQUESTED

Claimants requested entry of an award against Respondents for actual damages of approximately \$166,000.00 and punitive damages of approximately \$300,000.00.

Respondents requested that the claims be dismissed in their entirety and that costs be assessed against the Claimants.

OTHER ISSUES CONSIDERED & DECIDED

Respondents Stratton Oakmont, Inc. and Michael Albino filed for bankruptcy prior to hearing. Pursuant to the U.S. Bankruptcy Code, all actions against these Respondents were stayed.

Claimants settled their claims against Respondent Sampogna and notified the Office of Dispute Resolution on November 4, 1997.

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. Respondent Daniel Porush is liable for and shall pay to the Claimants, Barry Goodwin and Carol Goodwin, the sum of \$153,500.00 in actual damages;
2. The claims for punitive damages are dismissed and denied;
3. The parties shall bear their own costs of arbitration, including attorneys' fees, except for those specifically enumerated herein;
4. Any relief not specifically awarded is hereby denied.

FORUM FEES

Pursuant to Section 10332(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed: One (1) pre-hearing before full panel x \$750.00 = \$750.00; One (1) pre-hearing before a single arbitrator x \$300.00 = \$300.00; Two (2) hearing sessions x \$750.00 = \$1,500.00; Total forum fees = \$2,550.00.

The NASD Regulation, Inc., Office of Dispute Resolution shall retain the \$200.00 claim filing fee and the \$750.00 hearing session deposit previously deposited by the Claimants, Barry Goodwin and Carol Goodwin. Respondent Daniel Porush shall pay to the Claimants Barry Goodwin and Carol Goodwin the sum of \$950.00 as reimbursement of the claim filing fee and hearing session deposit. In addition, Respondent Daniel Porush shall pay to the NASD Regulation, Inc., Office of Dispute Resolution the sum \$1,800.00 as forum fees. Fees are payable to the NASD Regulation, Inc., Office of Dispute Resolution.

Concurring Arbitrators' Signatures
Name

Date

/s/ Arthur Medow, Esq.
Arthur Medow, Esq.
Public Arbitrator/Chairperson

November 21, 1997

/s/ David H. White, J.D.
David H. White, J.D.
Public Arbitrator

November 28, 1997

/s/ Frank F. Foy
Frank F. Foy
Industry Arbitrator

November 24, 1997

For NASD Use Only-Date of Decision: December 2, 1997