

AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS REGULATION, INC.

In the Matter of the Arbitration Between

Names of Claimants

Sadie Dietz and Sheila Lustbader

96-04174

Name of Respondents

J.B. Hanauer & Co.
Security Pacific
Marine Midland Bank

REPRESENTATION

Claimant Sadie Dietz appeared pro se.

Claimant Sheila Lustbader did not appear.

For Respondent J.B. Hanauer & Co. ("J.B. Hanauer"): Greg Plifka, Executive Vice President of J.B. Hanauer & Co., Parsippany, New Jersey.

Respondent Security Pacific did not appear.

Respondent Marine Midland Bank did not appear.

CASE INFORMATION

Statement of Claim filed: September 19, 1996.

Claimant Sadie Dietz's Submission Agreement signed: September 16, 1996.

Claimant Sheila Lustbader did not file an executed Submission Agreement.

Motion to Dismiss filed by Respondent J.B. Hanauer: December 18, 1996.

Claimant Sadie Dietz's Response to J.B. Hanauer's Motion to Dismiss filed: December 30, 1996.

Respondents J.B. Hanauer, Security Pacific and Marine Midland Bank did not file Statements of Answer or executed Submission Agreements (see "Other Issues").

HEARING INFORMATION

The arbitration panel conducted a telephonic hearing on February 21, 1997.

CASE SUMMARY

Claimant Sadie Dietz alleged that on or about August 21, 1980 she purchased a \$10,000.00 N.Y.S.H.F.A. Multi Family Housing Bond from Respondent J.B. Hanauer and that as of the date of the Statement of Claim she had not received the bond with attached coupons.

Respondent J.B. Hanauer responded to the Statement of Claim by filing a Motion to Dismiss pursuant to Rule 10304 of the Code of Arbitration Procedure (formerly Section 15). J.B. Hanauer maintained in its Motion to Dismiss that the claim is ineligible due to the fact that the events giving rise to the complaint occurred more than six (6) years prior to the time that the Claimant filed the claim. Respondent J.B. Hanauer further alleged that records of securities deliveries that occurred six years ago or longer are not required to be maintained by brokerage firms and that there is no possible way it could respond to the allegations since all applicable delivery records were destroyed over nine years ago.

In her response to the Motion to Dismiss, Claimant Sadie Dietz maintained that she was aware of the Statute of Limitation for the filing of the Statement of Claim and that she filed the Statement of Claim in a timely manner since she only became aware of the missing bond as of December, 1994 upon receiving a telephone call from a representative of J.B. Hanauer. Claimant Sadie Dietz further maintained that the question in this matter is not the delivery of the bond which goes back to 1980, but the cashing in of the bond or replacement of the missing bond.

RELIEF REQUESTED

Claimant Sadie Dietz requested replacement of the original \$10,000.00 bond, interest at the statutory rate, as well as compensation for the loss of investment opportunity.

Respondent J.B. Hanauer requested a dismissal of the claim.

OTHER ISSUES CONSIDERED & DECIDED

1. On February 21, 1997 a telephonic hearing was conducted with the arbitration panel, Claimant Sadie Dietz, her representative at the time, Linda Brown, and Respondent J.B. Hanauer's representative, Greg Plifka. The arbitration panel addressed J.B. Hanauer's Motion to Dismiss. The panel heard oral argument from both Claimant Sadie Dietz and Respondent J.B. Hanauer. Thereafter, on March 14, 1997 the panel rendered its decision granting J.B. Hanauer's Motion to Dismiss.
2. Claimant Sheila Lustbader did not participate in this proceeding.
3. Respondents Security Pacific and Marine Midland Bank are not members of NASD Regulation, Inc. and refused to voluntarily submit to this proceeding. Therefore, the arbitration panel made no determination with respect to these entities.

AWARD

After considering the pleadings and oral argument presented during the telephonic conference, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

As stated above, all claims against Respondent J.B. Hanauer are hereby dismissed.

FORUM FEES

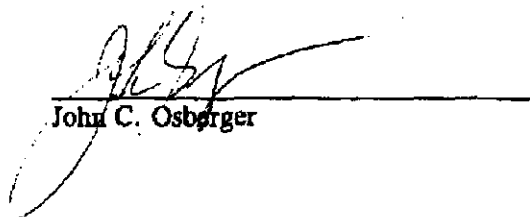
Pursuant to Rule 10332 (c) of the Code of Arbitration Procedure, the arbitrators determined not to assess forum fees against any party.

ARBITRATION PANEL

Concurring Arbitrators' Signatures


Leah Dell Rothman-Tell, Esq.

Public/Chairperson


John C. Osberger

Public/Panelist


Roark Young

Industry/Panelist

Date of Decision: November 20, 1997