

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimant

Thomas Swift

96-04267

Name of Respondents

Redstone Securities, Inc.
Thomas Landrie
Francesca Wolfsohn

REPRESENTATION

For Claimant Thomas Swift ("Claimant") appeared Neil A. Sussman, Esq., an attorney with offices in New York, NY;

For Respondents Redstone Securities, Inc. ("Redstone") appeared David H. Ledgin, Esq., an attorney with offices in Mineola, NY;

For Respondent Thomas Landrie ("Landrie") appeared Charles M. O'Rourke, Esq., an attorney with offices in Garden City, NY; and

For Respondent Francesca Wolfsohn ("Wolfsohn") appeared Michael B. Raphan, Esq., an attorney with offices in Oceanside, NY.

CASE INFORMATION

A Statement of Claim was filed on September 24, 1996.

A Motion to Bar Presentation of Defenses was filed on December 16, 1996.

Claimant's Submission Agreement was signed on August 15, 1996.

Respondents, Redstone and Landrie, did not file a Statement of Answer.

A Joint Motion to Decline Jurisdiction was filed by Respondents Redstone and Landrie on November 26, 1996.

Respondent Redstone's Submission Agreement was signed on October 18, 1996.

Respondent Landrie did not file an executed Submission Agreement.

Respondent Wolfsohn did not file a Statement of Answer or an executed Submission Agreement.

A Motion to Decline Jurisdiction was filed on December 10, 1997.

HEARING INFORMATION

Hearing Dates/Sessions:	December 10, 1997	Two Sessions
	December 11, 1997	Two Sessions
	January 14, 1998	Two Sessions
	March 05, 1998	Two Sessions
	March 06, 1998	One Session

The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant alleged that there were unauthorized transfers of funds from his accounts to accounts held by his estranged wife through the use of forgery. Claimant further alleged that those funds were taken from his accounts by his broker, Respondent Wolfsohn, through her employer, Respondent Redstone, with the acquiescence and/or encouragement of her supervisor, Respondent Laundrie. Claimant also alleged that this was made possible by the forgery of Claimant's signature and the destruction of Redstone documentation containing Claimant's true signature. Claimant asserted that the scheme used by Respondents Wolfsohn, Redstone, and Laundrie, *unlawfully deprived him of his funds and violated not only federal and state laws, but also violated well accepted securities industry rules and regulations.*

Claimant alleged that in November 1993, he and his wife, Louise Swift, opened a series of accounts at Respondent Redstone with Respondent Wolfsohn as their broker. Claimant also alleged that (1) two of the accounts were joint accounts with Mrs. Swift; one of these accounts was entitled Thomas Swift and/or Louise Swift (the "TL Account") and the other Louise Swift and/or Thomas Swift (the "LT Account") and four of the accounts were custodial accounts under the New York Uniform Gift to Minors Act, one for each of the Swift's four children with Claimant as custodian (the "Custodial Accounts"). Claimant alleges that the TL Account contained his funds and that the LT Account contained Mrs. Swift's funds.

Claimant alleges that in or about July 1995 funds were transferred out of the TL Account by Mrs. Swift without his knowledge or consent and that when he discovered the transfer he requested Respondent Wolfsohn to reverse the transfer. Claimant also alleges that funds in the Custodial Accounts were transferred out of those accounts on the basis of forged Letters of Authorization ("LOAs") into custodial accounts with his wife as the custodian.

Claimant alleges that all these transfers violated court orders in a matrimonial action pending between Claimant and Mrs. Swift.

Claimant alleges that he notified all Respondents in an effort to stop them from transferring funds without his consent.

Claimant alleged that the actions of all Respondents constitute violations of Federal and State securities laws, other State laws and RICO laws. Claimant further alleged that the actions of all Respondents constitute negligence, breach of contract, breach of fiduciary duty, conversion, fraud, misrepresentation, and violation of industry rules and regulations.

Claimant also alleges that Respondent Redstone is liable under the doctrine of respondeat superior.

Not one of the Respondents filed an answer to the allegations contained in the Statement of Claim.

RELIEF REQUESTED

Claimant requested compensatory damages of approximately \$300,000.00, plus interest, treble damages, all costs, and reasonable attorneys' fees pursuant to the New York RICO Statute.

At the hearing, Respondents Redstone and Laundrie requested that all claims be dismissed in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

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 remains on file with the NASD.

The panel made the following determinations concerning Respondents Redstone and Laundrie who did not file Statements of Answer, and Respondent Laundrie who did not file a Submission Agreement:

1. Pursuant to Rule 10101 of the Code of Arbitration Procedure (the "Code"), the panel found subject matter jurisdiction over this entire controversy.
2. The Motions to Decline Jurisdiction and to Bar Presentation of Defenses were Denied.
3. The panel found that Respondent Laundrie was a person associated with a member of the NASD at the time this controversy arose. Accordingly, the panel found personal jurisdiction over Respondent Laundrie pursuant to Rules 10201 and 10301 of the Code.
4. The panel found that Respondents Redstone and Laundrie were required to file a Statement of Answer, and that Respondent Laundrie was required to file a Submission Agreement, with NASD Regulation pursuant to Rule 10314(b) of the Code. In this regard, the panel found that the Statement of Claim was properly served upon Respondents Redstone and Laundrie pursuant to Rule 10314(a) of the Code.

5. At the final hearing, Claimant requested permission to amend the caption and the Statement of Claim to add Claimant as Custodian of the Custodial Accounts. This request was denied by the panel as untimely.
6. The panel was advised, at the hearing, that Respondent Wolfsohn filed a petition seeking protection under the bankruptcy laws.

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. All claims asserted by Thomas Swift are hereby dismissed with prejudice.
2. Each party shall bear its' respective costs.
3. Based on the merits of this case, the panel hereby orders that the Central Registration Depository ("CRD") shall expunge all references to the above captioned arbitration proceeding on the CRD of Respondent Redstone Securities, Inc. (BD# 19628).
4. Based on the merits of this case, the panel hereby orders that the Central Registration Depository ("CRD") shall expunge all references to the above captioned arbitration proceeding on the CRD of Respondent Thomas Landrie (CRD# 1207021).
5. All other relief requests are hereby denied.

FORUM FEES

Pursuant to Rule 10332(c) of the NASD Regulation Code of Arbitration Procedure, the arbitrators have determined that the NASD will retain the \$250.00 non-refundable filing fee deposited by Claimant and the \$500.00 Member Surcharge deposited by Respondent Redstone and have assessed the following Forum Fees:

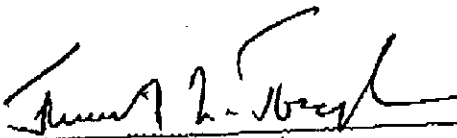
9 Hearing sessions x \$1,000.00	=	\$9,000.00
Total Forum Fees	=	\$9,000.00

1. Claimant be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$4,500.00, representing one-half of the total forum fees assessed. Claimant previously deposited \$1,000.00 with NASD Regulation, Inc., and therefore, is liable for the remaining balance of \$3,500.00.

2. Respondent Redstone be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$2,250.00, representing one-quarter of the total forum fees assessed.
3. Respondent Laundrie be and hereby is liable and shall pay to NASD Regulation, Inc. the sum of \$2,250.00, representing one-quarter of the total forum fees assessed.

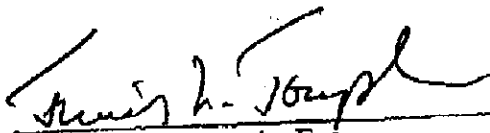
Fees are payable to NASD Regulation, Inc.

ARBITRATORS' SIGNATURES


Frederick M. Joseph, Esq.
Chairperson - Public Arbitrator

Date of decision: April 16, 1998

I, Frederick M. Joseph, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


Frederick M. Joseph, Esq.

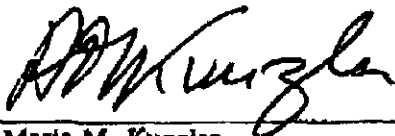
ARBITRATORS' SIGNATURES



Anne-Marie M. Kunzler
Public Arbitrator

Date of decision: April 16, 1998

I, Anne-Marie M. Kunzler, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



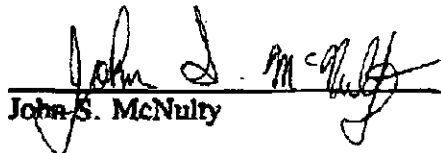
Anne-Marie M. Kunzler

ARBITRATORS' SIGNATURES

John S. McNulty
Industry Arbitrator

Date of decision: April 16, 1998

I, John S. McNulty, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



John S. McNulty