

AWARD

NASD REGULATION, INC.

In the matter of the Arbitration Between

Name of Claimant(s)

Joseph D. Lee

Arbitration
No. 96-04730

Name of Respondent(s)

Richard S. Haimowitz
Jordan R. Belfort

REPRESENTATION

For Claimant: Thomas L. Lee, Esq., Cheyenne, Wyoming

For Respondent Richard S. Haimowitz: Richard S. Haimowitz, Merrick,
New York

For Respondent Jordan R. Belfort: Jordan R. Belfort, Bayside, New
York

CASE INFORMATION

Statement of Claim filed on or about: October 24, 1996

Amended Statement of Claim filed: March 11, 1998

Claimant's Submission Agreement signed: September 25, 1996

Statement of Answer filed by Respondent Richard S. Haimowitz:
September 4, 1997

Respondent Richard S. Haimowitz's Submission Agreement signed:
September 4, 1997

Respondent Jordan R. Belfort did not file a Statement of Answer and did not appear at the hearing in this matter. However, Respondent Belfort is subject to NASD Regulation, Inc. (NASD) jurisdiction in accordance with Rule 10301 of the NASD Code of Arbitration Procedure.

HEARING INFORMATION

Pre-Hearing Conference Date(s)/Session(s):
October 16, 1997 (one session)

Hearing Date(s)/Session(s): August 13, 1998 (two sessions)

Hearing Location: Las Vegas, Nevada

CASE SUMMARY

Claimant alleged that he was aggressively solicited by telephone on or about February 1, 1996 by Respondent Richard S. Haimowitz, an agent of Stratton Oakmont, Inc. (Stratton Oakmont), to invest in certain securities recommended by Respondent Haimowitz acting as an agent of Stratton Oakmont. Claimant further alleged that the securities recommended to him by Stratton Oakmont and Respondent Haimowitz were unsuitable and also alleged churning and failure to properly supervise.

Respondent Haimowitz denied Claimant's allegations of wrongdoing and denied any liability to Claimant. Respondent Haimowitz alleged that he and Claimant discussed Claimant's investment objectives and alleged that Claimant stated that he had been satisfied with 10% annual return on his investments in the past but he was eager to speculate more and take advantage of the investment opportunities Stratton Oakmont would make available to him, fully cognizant of the associated risks of these type of investments.

RELIEF REQUESTED

Claimant requested damages in the amount of \$265,221.00. Claimant further requested punitive damages, reasonable attorney fees and an award of a reasonable return on the dollars invested by the Claimant.

Respondent Haimowitz requested dismissal of Claimant's claims.

OTHER ISSUES CONSIDERED AND DECIDED

Prior to the hearing, the panel of arbitrators was advised of the Order entered by the United States District Court for the Southern District of New York upon the application of the Securities Investor Protection Corporation under the Securities Investor Protection Act with respect to Stratton Oakmont and advised of the bankruptcy filing with respect to Patrick G. Hayes. Accordingly, the above-referenced dispute is stayed with respect to these Respondents.

The parties present at hearing agreed that the Award in this matter may be executed in either counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties present at hearing 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. All claims by Claimant against Respondent Jordan R. Belfort are dismissed with prejudice.

2. Respondent Richard S. Haimowitz is solely liable for and shall pay to Claimant the sum of \$34,030.00 in compensatory damages.

3. Claimant's claim for punitive damages is denied.

4. The parties shall each bear their respective costs including attorney's fees.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain Claimant's hearing session deposit in the amount of \$750.00. Forum fees shall be split between Claimant and Respondent Haimowitz and are calculated as follows:

One pre-hearing session @ \$750.00/session	=	\$ 750.00
Two hearing sessions @ \$750.00/session	=	<u>\$1,500.00</u>
Total fees assessed	=	\$2,250.00
Claimant's share (50%)	=	\$1,125.00
Credit for hearing deposit	=	\$ 750.00
Balance due	=	\$ 375.00
Respondent Haimowitz's share (50%)	=	\$1,125.00
Balance due	=	\$1,125.00

Fees are payable to NASD Regulation, Inc.

ARBITRATORS

Name Public / Industry

Douglas Edwards, Esq.

Public Arbitrator

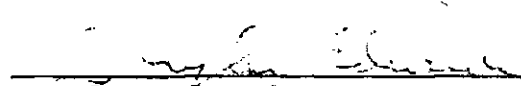
William Urga, Esq.


Public Arbitrator

Dane H. Madsen

Industry Arbitrator

Concurring Arbitrators' Signatures


Douglas Edwards, Esq.


William Urga, Esq.


Dane H. Madsen

Date of Decision: _____

Date Served:

SEP 16 1998

ARBITRATORS

Name _____ Public / Industry

Douglas Edwards, Esq.

Public Arbitrator

William Urga, Esq.


Public Arbitrator

Dane H. Madsen

Industry Arbitrator

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Douglas Edwards, Esq.



William Urga, Esq.

Dane H. Madsen

Date of Decision: 9/14/98

Date Served:

SEP 16 1998

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