

NASD REGULATION AWARD

In the Matter of the Arbitration Between

Name of Claimant

Patricia Levin

97-00117

Name of Respondents

Josephthal Lyon & Ross Incorporated
Michael H. Hirsch
Meg Newman

REPRESENTATION

Claimant Patricia Levin ("claimant") appeared pro se.

For respondents Josephthal Lyon & Ross Incorporated ("Josephthal"), Michael Hirsch ("Hirsch") and Meg Newman ("Newman") appeared Robert E. Murphy, Esq., Deputy General Counsel of Josephthal Lyon & Ross Incorporated.

CASE INFORMATION

Statement of Claim was filed on January 8, 1997. Claimant's Submission Agreement was signed on January 7, 1997.

Joint Statement of Answer was filed by Josephthal, Hirsch and Newman on February 28, 1997. Newman's Submission Agreement was signed on February 26, 1997. Michael Hirsch's Submission Agreement was signed on February 25, 1997. Josephthal Lyon & Ross Incorporated's Submission Agreement was signed on February 26, 1997.

HEARING INFORMATION

Hearing Date/Session: July 17, 1997 - One Session

The hearing was conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimant maintained that, in May of 1996, she purchased a MER spread 5 times - the July 60/July 55 put spread - and paid 1 1/2 including commissions. Claimant further alleged that HWP and MOT announced lower earnings and the entire stock market began to decline during the second week of July. Claimant also alleged that, on July 11, 12, 15 and 16, 1996, she called her broker, Hirsch, at Josephthal and told him to get her out of the MER put spread as soon as MER stock went down to \$55.00.

Claimant alleged that MER dropped to \$55.00 on July 16, 1997. Claimant contended that, when she called Hirsch to find out what she had received for lifting the spread, Hirsch told her it had not been lifted. Claimant maintained that she wrote a letter of complaint to Josephthal's compliance department and she received a letter from Newman stating there would be an investigation into the complaint. Claimant further alleged that she did not receive a letter from Newman until October which stated that no error had occurred and, therefore, her case was closed.

Respondents denied any wrongdoing regarding claimant's account and specifically denied a failure to enter a bona fide customer order to sell the subject spread. Hirsch denied that claimant ever entered an order to sell the spread. Respondents alleged that claimant admitted to Newman that she did not really place an order, but rather expressed an intention to Hirsch two to three weeks before July 16, 1996 that, if MER dropped below \$55.00, she would want to liquidate the spread.

RELIEF REQUESTED

Claimant requested actual damages in the sum of \$1,250.00.

Respondents requested that each allegation against them and each of them be dismissed.

AWARD

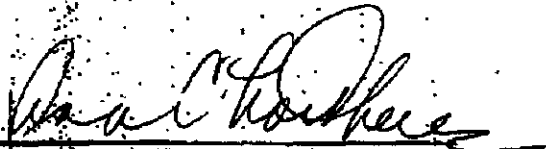
After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondent Josephthal be and hereby is liable and shall pay claimant the sum of \$560.00, specifically excluding interest.
2. All claims against respondents Hirsch and Newman are hereby dismissed in their entirety.
3. Each party shall bear their respective costs.
4. All other claims are hereby denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the arbitrator has determined that NASSB Regulation, Inc. shall retain the \$25.00 filing fee and \$25.00 hearing session deposit previously paid by claimant as full consideration for the hearing session conducted in this matter.

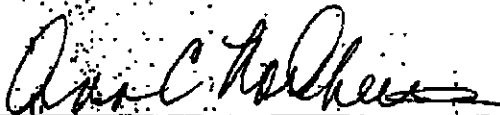
Arbitrator's Signature:



**Ann C. Northern, Esq.
Public Arbitrator**

Date of Decision: October 21, 1997

I, Ann C. Northern, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual who executed this instrument which is my award.



Ann C. Northern, Esq.