

NASD REGULATION, INC.
AWARD

In the Matter of the Arbitration Between

Name of Claimants

Alexander Egger
Ivy Egger

vs.

Case No.
98-00065

Name of Respondents

Victor Perri
L.T. Lawrence Securities Corp.

REPRESENTATION

For Claimants Alexander Egger ("Egger") and Ivy Egger (collectively "Claimants") appeared Hayward Richard Pressman, Esq. of the firm Pressman & Associates, located in New York, New York.

For Respondent Victor Perri ("Perri") appeared Mark Astarita, Esq. of the firm Gusrae, Kaplan & Bruno, located in New York, New York.

For Respondent L.T. Lawrence Securities Corp. ("L.T. Lawrence") appeared Ruthann G. Niosi, Esq., a sole practitioner located in New York, NY. Counsel withdrew from this matter by letter dated November 24, 1998.

CASE INFORMATION

Claimants' Statement of Claim was filed on January 6, 1998.

Claimant Alexander Egger's Submission Agreement was signed on December 29, 1997.

Claimant Ivy Egger's Submission Agreement was signed on December 29, 1997.

Respondents' Joint Statement of Answer was filed on April 23, 1998.

Respondents did not sign a Submission Agreement.

HEARING INFORMATION

Pre-Hearing Conferences:	July 28, 1998	-	1 session
	December 15, 1998	-	1 session
Hearing Date/Sessions:	January 12, 1999	-	2 sessions

The pre-hearing conferences were conducted telephonically. The hearings were conducted at the offices of NASD Regulation, Inc. located in New York, New York.

CASE SUMMARY

Claimants alleged that, in 1995, Perri cold-called Egger, with the promise of high returns on investments. Claimants maintained that they opened two accounts with Perri for the purpose of conservatively investing money from Claimants' retirement savings. Claimants further maintained that their initial investment was successful. Claimants asserted that, subsequently, Perri intensified his efforts to solicit funds from Claimants through a series of incessant calls and high pressure sales tactics which, again, involved promises of high returns. Claimants contended that, although they deposited more money into the accounts, they reiterated their concerns to Perri that the money required safe and suitable investments since they were retired. Claimants also contended that they directed Perri that all purchases were to be in cash and not on margin.

Claimants maintained that, despite their concerns, Perri continued to pursue an aggressive investment strategy consisting of volatile technology stocks, such as Initial Public Offerings, in which L.T. Lawrence was a market maker.

Claimants contended that Perri would continuously induce them to invest in securities which he claimed were "sure things." Claimants alleged that, in August of 1996, Perri induced Claimants to purchase stock in Bigmar, in which L.T. Lawrence was a market maker. Claimants also alleged that Perri employed coercive sales tactics to convince them to participate in an IPO of All-Comm Media, Inc. Claimants also asserted that, in November of 1996, Perri directed them to purchase Ecotyre Technologies, Inc. ("Ecotyre"), a volatile stock, without disclosing that L.T. Lawrence was market maker. Claimants alleged that the entire Ecotyre purchase was done on margin, contrary to their earlier directives. Claimants asserted that, when these securities invariably declined in value, Perri would immediately convince them to sell the investment, realize the loss, and reinvest the proceeds, plus additional funds from any source, in other unsuitable, high risk security offerings.

Respondents maintained that Claimants represented to Perri that they were highly sophisticated investors who actively participated in private placements and venture capital investments. Respondents also maintained that Claimants expressed an interest in trading in undiscovered growth companies. Respondents asserted that Claimants directed Perri to open an IRA account for them and to purchase Ecotyre warrants for the account. Respondents contended that Perri kept Claimants apprised of the status of their positions over the next few months. Respondents contended that each trade was discussed and not entered until Perri received Claimants' approval. Respondents asserted that Claimants indicated their confidence with Perri by

transferring their account from another brokerage firm to L.T. Lawrence. Respondents alleged that Claimants closely monitored their stocks' performance. Respondents further alleged that Claimants had a specific plan in mind for their investments and placed very little reliance on Perri. Respondents contended that Claimants' pattern of conduct shows that they were in control at all times and making all the investment decisions, rather than yielding to alleged "coercive sales tactics." Respondents contended that, although Perri was asked for his opinion on investments, Claimants relied on their own research and utilized Perri more as a sounding board and order taker.

RELIEF REQUESTED

Claimants requested \$104,984.00 in compensatory damages plus interest. Claimants also requested punitive damages to be determined by the panel.

Respondents requested that the claims asserted against them be dismissed in their entirety. Respondents also requested that the costs of the hearing not be assessed against them. Respondents further requested that, should the panel find against any of the Respondents, the award should be specifically apportioned among the Respondents.

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 NASD Regulation, Inc.

Respondent Perri was dismissed from the matter prior to the commencement of hearings pursuant to a settlement with Claimants.

Claimant Egger requested that former principals of L.T. Lawrence, Lawrence Principato and Edward Todd Roberti, be included as subject to payment of award. The request is denied because they were not named and, therefore, did not defend themselves.

The panel made the following determinations concerning L.T. Lawrence, who did not sign a Submission Agreement and did not appear at the hearing in this matter:

1. Pursuant to Rule 10101 of the Code of Arbitration Procedure (the "Code"), the arbitrators found subject matter jurisdiction over this entire controversy.
2. The panel found that L.T. Lawrence was a member of the NASD at the time this controversy arose. Accordingly, the panel found jurisdiction over L.T. Lawrence pursuant to Rule 10301 of the Code.

3. In addition, in accordance with Rules 10310, 10315 and 10318 of the Code, the panel found that NASD Regulation provided L.T. Lawrence with "due notice" of the hearings conducted in this matter by regular and certified mail. The panel further determined to proceed with the hearing without L.T. Lawrence, whose absence was unexcused.

AWARD

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

1. Respondent L.T. Lawrence is liable and shall pay to Claimant Alexander Egger the sum of \$100,093.00 in compensatory damages;
2. Respondent L.T. Lawrence is also liable and shall pay to Claimants Alexander and Ivy Egger the sum of \$8,602.00 in compensatory damages;
3. Respondent L.T. Lawrence is also liable and shall pay to Claimants the sum of \$750.00 to reimburse Claimants for the hearing session deposit previously deposited with NASD Regulation, Inc.;
4. Claimants' request for interest is hereby denied;
5. Claimants' request for punitive damages is hereby denied;
6. All other requests for relief are denied.

OTHER COSTS

Pursuant to Rule 10333 of the *NASD Code of Arbitration Procedure* ("Code") L.T. Lawrence has paid NASD Regulation, Inc. the \$1,500.00 member surcharge previously invoiced.

FORUM FEES

Pursuant to Rule 10332(c) of the *Code*, the arbitrators have determined that the NASD will retain the \$200.00 non-refundable filing fee deposited by Claimants and have assessed the following Forum Fees:

2 pre-hearing conferences x \$750.00	=	\$1,500.00
2 hearing sessions x \$750.00	=	\$1,500.00
Total Forum Fees	=	\$3,000.00

Respondent L.T. Lawrence be and hereby is liable for the sum of \$3,000.00, representing the total amount of forum fees assessed. Claimants previously deposited \$750.00 with NASD Regulation, Inc. and, therefore, Respondent L.T. Lawrence shall pay the sum of \$750.00 to Claimants as provided in the "Award" section, above, and shall pay the balance of \$2,250.00 to NASD Regulation, Inc.

ARBITRATION PANEL

Carl W. Klemme	-	Public Chairperson
George I. Harris, Esq.	-	Public Arbitrator
Michael Ross	-	Industry Arbitrator

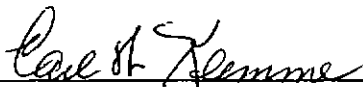
CONCURRING ARBITRATOR'S SIGNATURE



Carl W. Klemme

Date of decision: Feb 26, 1999

I, **Carl W. Klemme**, 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.

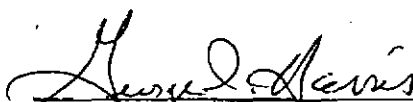


Carl W. Klemme

ARBITRATION PANEL

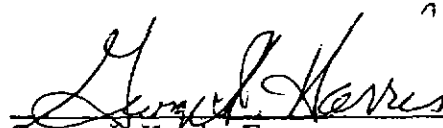
Carl W. Klemme	-	Public Chairperson
George I. Harris, Esq.	-	Public Arbitrator
Michael Ross	-	Industry Arbitrator

CONCURRING ARBITRATOR'S SIGNATURE


George I. Harris, Esq.

Date of decision: Feb 26, 1999

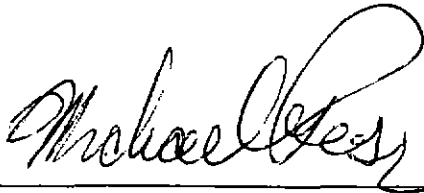
I, George I. Harris, Esq., do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.


George I. Harris, Esq.

ARBITRATION PANEL

Carl W. Klemme	-	Public Chairperson
George I. Harris, Esq.	-	Public Arbitrator
Michael Ross	-	Industry Arbitrator

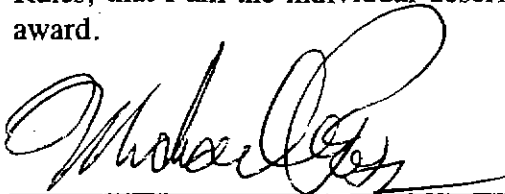
CONCURRING ARBITRATOR'S SIGNATURE



Michael Ross

Date of decision: Feb 26, 1999

I, Michael Ross, 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.



Michael Ross