

AWARD

NASD REGULATION, INC.

In the matter of the Arbitration Between

Name of Claimant

Mildred F. Sudduth

v.

Arbitration No.
98-00257

Name of Respondents

Bear, Stearns & Co., Inc., Brian Scanlon,
Jordan Belfort, Daniel Porush, Kenneth
Greene, and Jordan Shamah

REPRESENTATION

For Claimant Mildred F. Sudduth:

Lawrence J. Bochat, Esq.
Bochat & Keenan, P.C.
Garden City, New York

For Respondent Jordan Belfort:

Franklin D. Ormsten, Esq.
Ormsten & Evangelist
Jericho, New York

CASE INFORMATION

Statement of Claim filed:

January 15, 1998

Claimant Mildred F. Sudduth's
Submission Agreement signed:

January 21, 1998

Statement of Answer filed by
Respondent Bear, Stearns & Co., Inc.:

April 14, 1998

Respondent Bear, Stearns & Co., Inc.'s
Submission Agreement signed:

April 14, 1998

Statement of Answer filed by
Respondent Jordan Belfort:

April 7, 1998

Statement of Answer filed by
Respondent Daniel Porush:

March 5, 1998

Respondent Daniel Porush's
Submission Agreement signed:

March 5, 1998

HEARING INFORMATION

Pre-Hearing Conference Dates / Sessions:

June 11, 1998 (One Session)
August 17, 1998 (One Session)

Hearing Date / Sessions:

July 26, 1999 (Two Sessions)

Hearing Location:

Los Angeles, California

CASE SUMMARY

Claimant Mildred F. Sudduth alleged that Respondents engaged in fraud, were negligent, employed deceptive sales techniques, made material misrepresentations, failed to supervise their employees, manipulated prices of securities, engaged in excessive mark-ups, exhibited a pattern of misconduct, engaged in churning, and breached the fiduciary duty owed to Claimant.

Respondents Bear, Stearns & Co., Inc., Jordan Belfort, and Daniel Porush denied each and every allegation of wrongdoing set forth in the Claimant Mildred F. Sudduth's Statement of Claim.

RELIEF REQUESTED

Claimant requested \$265,000.00 in compensatory damages, punitive damages, lost opportunity costs, interest, costs, and attorney's fees.

Respondent Bear, Stearns & Co., Inc. requested dismissal of the Claimant's Statement of Claim in its entirety and costs.

Respondent Jordan Belfort requested dismissal of the Claimant's Statement of Claim in its entirety.

Respondent Daniel Porush requested dismissal of the Claimant's Statement of Claim in its entirety and costs.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed either 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 Regulation, Inc., Office of Dispute Resolution.

On April 28, 1999, Claimant Mildred F. Sudduth settled with Respondents Bear, Stearns & Co., Inc. and Kenneth Greene.

On April 28, 1999, Claimant Mildred F. Sudduth dismissed all claims against Respondent Daniel Porush.

On August 11, 1998, Respondent Brian Scanlon declared bankruptcy and the Claimant's claims against Respondent Brian Scanlon were stayed.

On January 19, 1999, Respondent Jordan Shamah declared bankruptcy and the Claimant's claims against Respondent Jordan Shamah were stayed.

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) The panel found that Respondent Jordan Belfort, through his instrumentality, Stratton Oakmont, Inc., engaged in fraud upon Claimant Mildred F. Sudduth.
- 2) Respondent Jordan Belfort is liable to and shall pay Claimant Mildred F. Sudduth the sum of \$175,000.00 in compensatory damages plus 6% interest commencing at January 17, 1998.
- 3) Respondent Jordan Belfort is liable to and shall pay Claimant Mildred F. Sudduth the sum of \$150,000.00 in punitive damages pursuant to Mastrobuono v. Shearson Lehman Hutton, Inc., 514 U.S. 52 (1995).
- 4) Each party shall bear its own costs, including attorney's fees.
- 5) All relief not expressly granted is denied.

FORUM FEES

Pursuant to Rule 10332(c) of the Code of Arbitration Procedure, the following forum fees are assessed:

Two Full Panel Pre-Hearing Conference Session @ \$750.00 / Session	= \$1,500.00
<u>Two Hearing Sessions @ \$750.00 / Session</u>	<u>= \$1,500.00</u>
Total Fees Assessed Against Respondent Jordan Belfort	= \$3,000.00
 Respondent Jordan Belfort's Balance Due	 = \$3,000.00

Fees are payable to NASD Regulation, Inc.

NASD Regulation, Inc. shall refund Claimant's Hearing Session Deposit.

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
John E. Ohashi, Esq.	Public Arbitrator
Tracey Leigh Mizraji	Industry Arbitrator
Elliott Finkel, Esq.	Public Arbitrator

Concurring Arbitrators' Signatures

John E. Ohashi, Esq.

Tracey Leigh Mizraji

Elliott Finkel, Esq.

Date of Service: August 19, 1999

ARBITRATORS

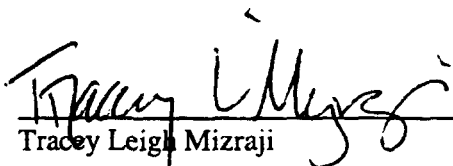
<u>Name</u>	<u>Public / Industry</u>
John E. Ohashi, Esq.	Public Arbitrator
Tracey Leigh Mizraji	Industry Arbitrator
Elliott Finkel, Esq.	Public Arbitrator

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Concurring Arbitrators' Signatures

NASD-Arbitration Mediation

John E. Ohashi, Esq.


Tracey Leigh Mizraji

Elliott Finkel, Esq.

Date of Service: _____

August 17, 1999

ARBITRATORS

<u>Name</u>	<u>Public / Industry</u>
John E. Ohashi, Esq.	Public Arbitrator
Tracey Leigh Mizraji	Industry Arbitrator
Elliott Finkel, Esq.	Public Arbitrator

Concurring Arbitrators' Signatures



John E. Ohashi, Esq.

Tracey Leigh Mizraji

Elliott Finkel, Esq.

Date of Service: August 19, 1999