

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between

Name of Claimant

Mark Orehowsky

Case No. 99-00468

Name of Respondent

Waterhouse Securities, Inc.

REPRESENTATION OF PARTIES

Claimant Mark Orehowsky ("Claimant"): Albert Schlessinger, Esq., Philadelphia, Pennsylvania.

Respondent Waterhouse Securities, Inc. ("Respondent"): Margaret Manolakis, Esq., Stradley Ronon Stevens & Young, LLP, Philadelphia, Pennsylvania.

CASE INFORMATION

Statement of Claim filed on or about: January 28, 1999.

Claimant signed the Uniform Submission Agreement: December 31, 1998.

Statement of Answer filed by Respondent on or about: April 30, 1999.

Respondent signed the Uniform Submission Agreement: April 29, 1999.

CASE SUMMARY

Claimant asserted that he is a public customer with little experience in trading securities. Claimant, therefore, asserted that Respondent had an obligation to inform him that a *stop loss limit order* in a thinly traded stock had little chance of being executed. On July 14, 1998, Claimant claimed that he placed a *stop loss order* with Respondent to sell 5,559 shares of Prime Bank at a price of \$21 7/8 per share, good until canceled. On July 15, 1998, Claimant claimed that he telephoned Respondent to add 4,139 shares of Prime Bank to his sell order from the previous day. Claimant alleged that he spoke with Respondent's representative, James Veal, who advised Claimant that a *stop loss order* could not guarantee the stop price of \$21 7/8, but that the \$21 7/8 price could be guaranteed through a *stop loss limit order*. Claimant alleged that as Prime Bank is a thinly traded stock, Respondent, through its representative Mr. Veal, had a duty to inform him that there was little chance that the *stop loss limit order* would be executed. Claimant went on to allege that on July 28, 1998, the bid price of Prime Bank shares dropped to \$21 7/8; however, as Claimant had placed a *stop loss limit order*, no sales were made on Claimant's behalf as there were no buy orders at Claimant's limit.

Unless specifically admitted in its Answer, Respondent denied any liability to Claimant. Respondent denied having any duty of inquiry, asserting the following defenses: that Claimant failed to state a cause of action upon which relief may properly be granted; that claimant suffered no damage as the

result of any action taken by Respondent; that Respondent fully discharged all duties owed to Claimant; that Respondent carried out its duties to Claimant in conformity with all relevant industry regulations, conventions and applicable laws; and that Respondent acted in good faith at all times.

RELIEF REQUESTED

Claimant requested:

Compensatory Damages

\$ 17,578.25

Respondent requested that the Statement of Claim be dismissed in its entirety.

OTHER ISSUES CONSIDERED AND 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.

AWARD

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

1. That Respondent is liable and shall pay to Claimant \$8,642.00;
2. That the parties are to bear their own costs and expenses, with the exception of forum fees as specified below; and
3. That any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee

= \$ 100.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge

= \$ 400.00

Forum Fees and Assessments

The Arbitrator assessed forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the Arbitrator, including a pre-hearing conference with the Arbitrator, that lasts four (4) hours or less. Fees associated with these proceedings are:

1	Pre-hearing session with a single arbitrator x \$300.00	= \$ 300.00
	Pre-hearing conference: August 19, 1999 1 session	
1	Hearing sessions x \$300.00	= \$ 300.00
	Hearing Date: October 11, 1999 1 sessions	
TOTAL FORUM FEES		= \$ 600.00

1. The Arbitrator assessed \$300.00 of the forum fees to Claimant.
2. The Arbitrator assessed \$300.00 of the forum fees to Respondent.

Fee Summary

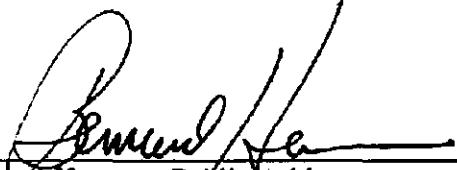
Claimant is solely liable for:

Initial Filing Fee	= \$ 100.00
<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$ 400.00
<u>Less payments</u>	= \$ 400.00
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondent is solely liable for:

Member Fees	= \$ 400.00
<u>Forum Fees</u>	= \$ 300.00
Total Fees	= \$ 700.00
<u>Less payments</u>	= \$ 400.00
Balance Due NASD Regulation, Inc.	= \$ 300.00

All balances are due and payable to NASD Regulation, Inc.


Bernard Herman, Public Arbitrator


Signature Date

Date Award served by NASD Regulation: November 17, 1999