

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)
BERNARD D'AMOUR,)
Claimant,)
vs.) Case #86-00515
Award
JOE A. CLEMENTS, RUSSELL L. BENTON,)
EUGENE K. LAFF, ROBERT A. SPIRA, and)
DONALD A. REEL,)
Respondents.)

CASE SUMMARY

This claim was filed with the NASD on May 7, 1986. The hearing was conducted in Fort Lauderdale, Florida with a total of four hearing days (seven sessions).

Claimant, Bernard D'Amour ("D'Amour"), alleged that he was solicited to purchase units in Valley Cable Ltd. ("VC") by Swink & Co. as agent for Economics Management Group ("EMG"), a division of Haas Securities ("Haas"); that he offered to purchase those units based upon the representations of Joe A. Clements ("Clements"), Russell L. Benton ("Benton"), and the VC Private Placement Memorandum; that VC deposited his check for the units without complying with the terms of his purchase offer; that Benton misrepresented that D'Amour would receive a refund; and, that the IRS disallowed all losses and tax credits for his VC investment resulting in penalties and interest. Claimant further alleged that Clements aided and abetted the fraudulent actions of Benton and VC; that Haas, Eugene K. Laff ("Laff") and Robert A. Spira ("Spira") failed to properly supervise Clements; that EMG failed to conduct required due diligence; and that Benton was involved in the formation of VC and had the authority to represent that entity.

Respondent, Clements, denied all allegations of wrongdoing and cross claimed against Benton for any liability that might be found against Clements and Haas. Respondent, Laff, denied all allegations of wrongdoing, cross claimed against Benton and filed a third party claim against Donald A. Reel ("Reel") for any liability that might be found against Laff. Respondent, Spira, denied all allegations of wrongdoing, cross claimed against Benton and filed a third party claim against Reel for any liability that might be found against him. Reel denied all allegations of involvement and wrongdoing.

RELIEF REQUESTED

Claimant, D'Amour, requested damages of \$120,000.00, punitive damages, attorney's fees and costs. Respondent, Clements, requested dismissal of claim, costs, and indemnification by Benton. Respondent, Laff, requested dismissal of claim, costs, and indemnification by Benton and Reel. Respondent, Spira, requested dismissal of claim, costs, and indemnification by Benton and Reel. Third Party Respondent, Reel, requested dismissal of the claims against him. Respondent, Benton, did not appear nor file an Answer to any claims or cross claims.

AWARD

On February 12, 1987; December 12, 1988; and May 2 and 3, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant, D'Amour, on April 25, 1986, and by Respondents, Clements on August 5, 1986; Laff on May 10, 1988; and Spira on May 3, 1989. Respondent, Benton, failed to sign a Submission Agreement as required by Section 12(a) of the Code, and as ordered by the Panel on March 25, 1989, upon its finding of jurisdiction over Benton in this matter. Respondents, Benton and Clements, failed to appear at the hearing of this matter. Respondent, Reel, failed to file a Submission Agreement but appeared at the hearing and submitted to arbitration via telephone. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

1. Respondents, Clements, Benton, Laff and Spira, shall not be and hereby are not liable to the Claimant and, therefore, all claims against them shall be and hereby are dismissed.
2. Cross/Respondent, Benton, shall not be and hereby is not liable to the Cross/Claimants and, therefore, all cross claims against him shall be and hereby are dismissed.
3. Third Party Respondent, Reel, shall not be and hereby is not liable to the Third Party Claimants and, therefore, all third party claims against him shall be and hereby are dismissed.
4. Claimant's request for attorney's fees and punitive damages are hereby denied in all respects.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of Two Thousand and 00/100 (\$2,000.00) Dollars (\$500.00 x four days). Claimant, D'Amour, shall be and hereby is assessed forum fees in the amount of Five Hundred and 00/100 (\$500.00) Dollars for which the National Association of Securities Dealers, Inc. shall retain the Five Hundred and 00/100 (\$500.00) Dollar filing fee previously deposited by the Claimant in full satisfaction thereof. Respondents, Clements, Benton, Laff, Spira and Reel, shall be and hereby are assessed forum fees in the amount of Three Hundred and 00/100 (\$300.00) Dollars each, payable to the NASD, Inc.
6. Respondent, Spira's, request for costs of travel to a subsequently adjourned hearing shall be and hereby is denied in all respects.
7. The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

OTHER ISSUES

Pursuant to its Order of March 25, 1987, the Panel found jurisdiction over Respondent, Benton, by virtue of his holding a general securities license with the NASD, Inc. at the time this controversy arose. Haas Securities was removed as a party by the NASD upon notice of its filing bankruptcy proceedings under Chapter 11.

ARBITRATORS CONCURRING



Edward J. Marko, Esq.



Joseph L. Bernstein, Esq.



Lucille E. Weist

Dated: July 5, 1989