

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

DEAN ADAMSON, STEVEN BRESSLER, TED
CONNELL, AUSTIN COOPER ET AL.

Claimants

and

BEAR STEARNS, PAUL SCHLOSBERG AND
RON PANZERA

Respondents

CASE NO. 87-00030

CASE SUMMARY

Dean Adamson, Steve Bressler, Ted Connell, Austin Cooper, James Luther and Stanley Hersh (Adamson, Bressler, Connell, Luther, Hersh, and Cooper are collectively referred to herein as "Claimants") alleged as follows:

1. Paul Schlosberg and A. R. Panzera, registered representatives of Bear Stearns (Schlosberg and Bear Stearns are collectively referred to herein as "Respondents") made the following misrepresentations to the Claimants:

- a. Ronald Cohen ("Cohen") was an experienced and well respected investment advisor with high integrity;
- b. Cohen had a small select clientele;
- c. Cohen was operating lawfully; and
- d. Cohen through his research capability and/or possession of inside information had the ability to give correct investment advice;

2. Schlosberg, Panzera and Bear Stearns concealed the following material:

- a. Cohen was insolvent;
- b. Cohen was commingling funds;

- c. Cohen was operating a broker-dealer in violation of the law;
- d. Cohen was failing to keep adequate records;
- e. Respondents were making unusually high commissions as a result of Cohen's unlawful operations;
- f. Cohen was misappropriating the Claimants' assets;
- g. That they were trading thinly traded securities in order to manipulate the market;
- i. Cohen was a convicted felon and barred from the securities industry.

3. The Respondents were acting in concert with Cohen in his illegal activities in order to financially benefit.

Respondents denied each and every claim of the Claimants and further alleged:

1. Claimants claims are barred by a) the doctrine of in pari delicto, b) estoppel, waiver, and/or ratification, c) contributory negligence, d) Claimants failure to exercise reasonable diligence, and e) the fact that the Claimants did not reasonably rely on the Respondents statements.

RELIEF REQUESTED

Claimants requested damages in the amount of \$2,552,293.50, pre and post judgment interest. Respondents requested that the Claimants' claims be dismissed.

AWARD

On September 5, 1986 the NASD received the Statement of Claim from the Claimants. On July 14 and 15, 1989, August 29 and 31, 1989 and January 22, 23 and 24, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on September 4, 1986 by Stanley Hersh, on August 15, 1986 by Stephen A. Bressler, Ted C. Connell, Dean Adamson, and Austin L. Cooper, and on August 18, 1986 by James L. Luther, on January 22, 1987 by Mark E. Lechman on behalf of Bear Stearns & Co. Inc., and on March 3, 1987 by Paul Schlosberg and A. R. Panzera. The hearing was held in Dallas, Texas in 14 sessions.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. Bear Stearns and Co., Inc. and Paul Schlosberg shall be jointly and severally liable for and pay to:

Dean Adamson	-	\$298,000.00
Steven Bressler	-	15,000.00
Ted Connell	-	170,000.00
Austin Cooper	-	122,000.00
Stanley Hersh	-	438,000.00
James Luther	-	207,000.00

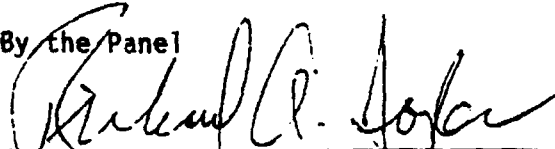
2. The parties shall bear their own costs including attorneys' fees;

3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimant and the Respondents shall be jointly and severally liable for and pay to the NASD \$10,500.00 as forum fees through the NASD's staff counsel.

Dated: 2-13-90

By the Panel

/S/


Richard A. Sayles, Esq.
Presiding Chair

Dated: _____

/S/

Jack W. Harkey

Dated: _____

/S/

R. Dan Mitchell

Dated: _____

/S/

Alan A. Schroder

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By the Panel

Dated: _____

/S/

Richard A. Sayles, Esq.
Presiding Chair

Dated: 2-12-90

/S/

Jack W. Harkey

Dated: _____

/S/

R. Dan Mitchell

Dated: _____

/S/

Alan A. Schroder

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