

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	:	
Kalmon Low, Trustee of the Kalmon Low	:	
D.D.S., P.C. Retirement Trust	:	
Claimants	:	Case #87-00572
vs.	:	AWARD
Shatkin-Lee Securities Company,	:	
Yves Hentic & Company, Inc. and	:	
Yves Hentic, individually	:	
Respondents	:	

CASE SUMMARY

This proceeding was commenced initially on March 19, 1987 by Claimant Kalmon Low ("Dr. Low"), as the Trustee of the Kalmon Low D.D.S., B.C. Retirement Trust (the "Trust") against Respondents Shatkin-Lee Securities Co. ("Shatkin-Lee"), Yves Hentic & Co., Inc. ("Hentic & Co."), and Yves Hentic ("Hentic") and arises out of certain accounts held by Claimants from 1985 through 1986. Claimant asserts that Respondents are liable for certain losses incurred in these accounts while Hentic was employed at YHC. Specifically, Claimant alleges that Hentic, YHC and Shatkin-Lee misappropriated 80,000 Class A warrants and 80,000 Class B Warrants of Senetek PLC from the account.

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Claimant alleges that these securities were transferred out of the account without the Claimant's knowledge or permission and in violation of the federal securities laws, the Rules of the National Association of Securities Dealers, Inc. ("NASD") and the Racketeer Influenced and Corrupt Organization Act ("RICO"). Moreover, Claimant alleges that YHC and Hentic without knowledge or permission transferred 10,000 in money market funds from the account in violation of the foregoing laws, statutes and regulations.

Respondent Shatkin-Lee contends that it acted reasonably and properly in following YHC's instruction to transfer the warrants from Claimant's account to YHC's account and that the transfer was conducted pursuant to a letter of authorization signed by Claimant. In addition, Shatkin-Lee asserts that the firm had no contractual obligation or other duty to contact Claimant directly about the transaction, and that it was to act only as a clearing agent to YHC.

Respondent Hentic denied any breach of duty and liability owed to Claimant with respect to the accounts. In short, Hentic asserts that Dr. Low claim is baseless in that Claimant authorized the transfer of the warrants. Hentic further contends that the cash transfer out of the Claimant's account was proper.

RELIEF REQUESTED

Claimant requests damages in the amount of \$2,690,400, together with interest, attorney fees and the cost of this proceeding. Shatkin-Lee and Hentic requests that the arbitrators deny all claims and that Claimant be awarded no damages.

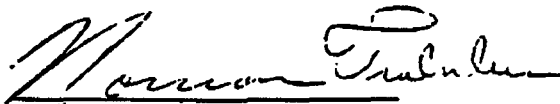
AWARD

On June 1, September 13, 14, and October 10, 1989 said dates representing nine (9) hearing sessions in New York, New York the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant and by Respondents hereto. Respondent Hentic & Co., Inc. ceased doing business on October 1, 1988 and accordingly did not appear at the hearing. 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:

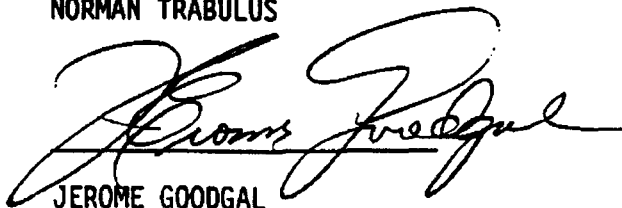
1. Respondents Shatkin-Lee Securities Co., Yves Hentic & Co., Inc. and Yves Hentic, individually shall be jointly and severally liable and shall pay to the Claimants the sum of Forty Thousand Dollars and No Cents (\$40,000.00).

2. Claimant's claim for RICO and punitive damages shall be denied.
3. The parties shall each bear their respective costs including attorney's fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$750.00 filing fee previously deposited by the Claimants as costs of the initial hearing session conducted in this matter. In addition, the NASD shall assess Claimant \$2,250.00 and shall assess Respondents jointly and severally \$3,000.00 in forum fees for eight of the nine hearing sessions conducted.

ARBITRATORS



NORMAN TRABULUS



JEROME GOODGAL



LOUIS GREEN

DATED: January 10th, 1990