

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Among)	
Douglas and Rhoda Fleischer,)	
Claimants)	Case #87-01886
vs.)	Award
Halpert, Oberst & Company and)	
Jeffrey Fladell,)	
Respondents)	

CASE SUMMARY

Claimants, Douglas and Rhoda Fleischer alleged that Respondent, Jeffrey Fladell, misrepresented the risk involved in the purchase of GNMA bond pools and further alleged that this purchase was an unsuitable investment for the Claimants and contrary to the Claimants' investment objectives. Respondents maintain that the Claimants were advised of the structure, risks and potential benefits of the investment in GNMA pools on margin and that they indicated to Mr. Fladell that maximizing return, rather than protecting principal, was the primary goal.

RELIEF REQUESTED

Claimants requested damages of \$132,615.00, plus interest, a reimbursement of margin interest charges and commissions paid by the Claimants, attorneys' fees, punitive damages, and other costs. Of this amount, the parties stipulated that there were trading losses of \$54,000 on the GNMA program. Respondents requested a dismissal of the claim.

AWARD

On September 9, 1988, September 26, 1988, April 24, 1989, April 25, 1989, June 12, 1989 and July 21, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by both Claimants on October 2, 1987 and by both Respondents on December 27, 1987. 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:

A. Respondent, Halpert, Oberst & Company, shall be liable for and shall pay to the Claimants the sum of Six Thousand Dollars and No Cents (\$6,000.00).

B. Respondent, Jeffrey Fladell, shall be liable for and shall pay to the Claimants the sum of Eighteen Thousand Dollars and No Cents (\$18,000.00).


C. The parties shall each bear their respective costs, including attorneys' fees;

D. 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.

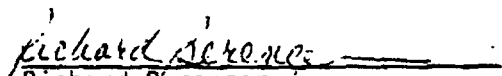
E. In accordance with Section 43 of the Code of Arbitration Procedure, forum fees are hereby assessed in the total amount of \$8,250.00 made payable to the NASD, Inc. through its staff administrator to be apportioned in the following manner:

- a) Claimants shall pay to the NASD, Inc. the sum of \$3,375.00;
- b) Respondent, Halpert, Oberst and Company, shall pay to the NASD, Inc. the sum of \$1,375.00; and
- c) Respondent, Jeffrey Fladell, shall pay to the NASD, Inc. the sum of \$2,750.00.

ARBITRATORS CONCURRING


Robert Seaman, Esq.


George R. Freund


Richard Berenger

Dated: August 24, 1989