

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Sid Paterson

Claimant

vs.

Gladstone Securities, Inc.
Adler, Coleman & Co., Inc.

Respondents

vs.

Barton Bereck

Third Party Respondent

}
} Case #88-00412
} Award
}
}
}
}
}

CASE SUMMARY

Claimant alleges Respondents failed to properly execute instructions to sell 2000 shares of Robotool Ltd. Respondent Adler, Coleman & Co., Inc. deny responsibility for transaction and acted only in a clearing agent capacity. Respondent Adler, Coleman & Co., Inc. cross claim against Respondent Gladstone Securities, Inc. and name Barton Bereck as a third party Respondent. Respondent Gladstone Securities, Inc. and Barton Bereck did not submit signed submission agreements or Statement of Answer.

RELIEF REQUESTED

Claimant seeks damages of \$21,253.05 plus interest and punitive damages. Respondent Adler, Coleman & Co., Inc. request dismissal of claim, and claims against Respondents Gladstone Securities, Inc. and Barton Bereck for indemnification, costs and attorneys fees.

AWARD

On May 19, 1989, the undersigned arbitrators heard the controversy in New York, New York between the parties as set forth in submissions to arbitration signed by Claimant on February 2, 1988, and by Respondent Adler, Coleman & Co., Inc. on June 29, 1988 and not signed by Respondents Gladstone Securities, Inc. and Barton Bereck as required by Section 12 of the Code of Arbitration Procedure. The initial claim was filed on February 8, 1988.

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:

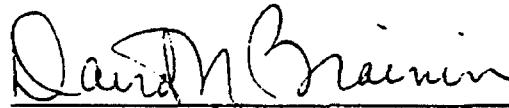
1. In accordance with Section 25, of the Code, Respondents Gladstone Securities, Inc. and Barton Bereck was served with the Statement of Claim and given an opportunity to respond, which Respondents failed to do;
2. In accordance with Section 21 and 26, Respondents Gladstone Securities, Inc. and Barton Bereck were given due notice of the hearing procedure and failed to appear;

DATED: June 27, 1989

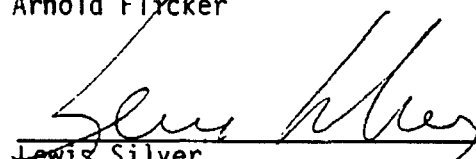
3. In accordance with Section 29 of the Code, the arbitration panel determined in light of the foregoing information, to proceed with the hearing as scheduled;
4. Respondents Gladstone Securities, Inc. shall be liable and shall pay to the Claimant the sum of Eleven Thousand Two Hundred Fifty Three Dollars and Five Cents (\$11,253.05).
5. The claim of the Claimant against Respondent Adler, Coleman & Co., Inc. is hereby dismissed in its entirety.
6. The cross claim of Respondent Adler, Coleman & Co., Inc. against Respondent Gladstone Securities, Inc. is hereby dismissed in its entirety.
7. The third party claim of Respondent Adler, Coleman & Co., Inc. against Respondent Barton Berek is hereby dismissed without prejudice.
8. The Claimant's request for punitive damages is hereby denied.
9. The parties shall each bear their respective costs including attorneys' fees.
10. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the \$400.00 filing fee previously deposited by the Claimant and hereby assess the \$400.00 fee against Respondent Gladstone Securities, Inc. as costs of the one hearing session conducted in this matter payable to the NASD, Inc.

Please be advised this award was unanimously agreed to by all three presiding arbitrators with exception to paragraph number 8 above. Mr. Brainin believed that punitive damages should have been awarded against Respondent Gladstone Securities, Inc.

ARBITRATORS CONCURRING


David Brainin


Arnold Flicker


Lewis Silver