

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Paul Burman
Josephine T. Burman

Claimants

vs.

Folger Nolan Fleming Douglas, Inc.
Eugene F. Roesser, Jr.

Respondents

}
} Case #88-00450
} Award
}
}

CASE SUMMARY

Claimants Paul and Josephine T. Burman (hereinafter "Claimants") allege that Respondents Folger Nolan Fleming Douglas, Inc. and Eugene F. Roesser, Jr. (hereinafter "Respondents") failed to obtain written authorization from Claimants permitting Sol Sheinbein to transact trades in Claimants' account. Claimants allege that Respondents failed to question Sol Sheinbein's qualifications. Claimants allege that Respondents failed to disclose credit information. Claimants allege Respondents failed to execute covering order. Claimants allege that Respondents failed to notify Claimants that their order had not been executed.

Respondents categorically deny the Claimants allegations. Respondent Folger Nolan Fleming Douglas, Inc. asserts a counterclaim against the Claimants alleging Claimants breached their contract with Folger Nolan Fleming Douglas, Inc. and further allege that Claimants failed to pay a liquidated debt that is due and owing.

RELIEF REQUESTED

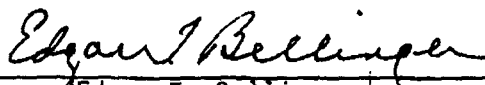
Claimants request \$207,077.05 for failure to disclose credit and margin information. Claimants request \$168,107.05 for failure to execute covering order. Claimants request \$203,802.96 for failure to obtain authorization and qualification to trade. Claimants request \$207,077.05 for material misrepresentations in violation of Federal Security Rule 10b - 5(2). Claimants request \$207,077.05 for material misrepresentations and omissions in violation of common law fraud. Claimants request punitive damages in the amount of \$621,231.15 and for pre-judgment interest. Respondent Folger Nolan Fleming Douglas, Inc. requests dismissal of all Claimants claims. Respondents request an award of \$170,607.05 plus interest to recover for the outstanding margin debt and an award of costs of arbitrating this dispute, including reasonable attorneys fees.

AWARD


On May 8th and 9th, 1989, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants Paul and Josephine T. Burman on February 24, 1988, and by Respondent Folger Nolan Fleming Douglas, Inc. on April 18, 1988 and by Respondent Eugene F. Roesser, Jr. on April 18, 1988. Josephine T. Burman did not attend 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. Claimants' claims are denied in there entirety.
2. Claimants are liable on Respondent Folger Nolan Fleming Douglas, Inc. counterclaim and shall pay to the Respondent Folger Nolan Fleming Douglas, Inc. the sum of One Hundred Eighty-Five Thousand and 00/100 Dollars (\$185,000.00); inclusive of interest.
3. Pursuant to Section 43 (b) of the Code of Arbitration Procedure forum fees for the May 8th and 9th, 1989 double hearing sessions shall be equally assessed against the Claimants and Respondents. Claimants \$1,000.00 filing fee shall be retained by the National Association of Securities Dealers, Inc. and applied against the forum fee, such that Claimants shall pay forum fees in the amount of \$1,000.00. The amount due from the Respondents as forum fees is \$2,000.00.
4. The parties shall each bear their respective costs including attorneys' fees.


CONCURRING ARBITRATORS



Edgar T. Bellinger



Paul A. Yates 7/18/89



William A. Conway

DATED: July 31, 1989