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NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between :
: William Schroeter : AWARD
Rosemarie Tort :
: Claimants : #88-02501
vs. :
: Philips, Appel & Walden, Inc. :
Richard Tort :
: Respondents :
: -----

Case Summary

Claimants alleged that Respondents placed the Claimants in unsuitable securities without regard to their investment experience and financial resources. Claimants further alleged that the securities purchased and traded on behalf of the Claimants were not consistent with the Claimants' stated investment objectives. Respondent Philips, Appel & Walden, Inc. did not file a Statement of Answer to the Statement of Claim. Respondent Richard Tort maintained that all trading for the Claimants was consistent with Claimants' stated investment objectives and asserted that he was aware of Claimants' financial status.

Relief Requested

Claimants requested damages of \$50,000.00 plus punitive damages. Respondent Philips, Appel & Walden, Inc. did not file a Statement of Answer to the Statement of Claim. Respondent Richard Tort requested that the claims of the Claimant be dismissed.

Award

On March 21, 1990 in New York City in two hearing sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants William Schroeter and Rosemarie Tort on July 27, 1988, by Respondent Richard Tort on September 9, 1988 and not signed by Respondent Philips, Appel & Walden, Inc. despite due notice being given. At the hearing on March 21, 1990, on the record, previous Respondents Rushmore Securities, Inc. and Domestic Arbitrage Group were dropped from the proceeding.

The arbitrators, 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. The claims of the Claimants be and hereby are dismissed in their entirety.
2. The parties shall each bear their respective costs including attorney fees.
3. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall refund the \$500.00 filing fee previously deposited by the Claimant and \$500.00 is hereby assessed against Richard Tort made payable to the NASD, Inc. All other forum fees are waived.

CONCURRING ARBITRATORS

/s/
Andrew Berger