

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)

B. CONNER JOHNSON AND HALINA V. JOHNSON,)

Claimants)

and)

NICK VALENTINO,)

Respondent)

CASE NO. 88-02786

CASE SUMMARY

B. Conner Johnson and Halina V. Johnson ("Claimants") allege that Nick Valentino ("Respondent") mismanaged and purchased unsuitable investments for Claimant's account. Specifically, Claimant alleges that inherited investments carried in Canada were transferred to Claimant's account at Respondent's employer, Fitzgerald, De Arman and Roberts. These Canadian investments were in the form of two annuities. Allegedly, Respondent purchased several O.T.C. Securities, i.e., BKW Systems, Inc., Netword, Inc., Transco Exp. and Testamatic Corp. Further, Respondent allegedly moved investments from Claimant's IRA account and Claimant's personal account without Claimant's knowledge. Additionally, Claimant alleges that Respondent caused Claimant to invest in an unregistered real estate limited partnership which was not suitable for Claimant.

Respondent generally denies each and every allegation set forth in the Statement of Claim.

RELIEF REQUESTED

Claimant requests damages in the amount of \$200,000.00, punitive damages in the amount of \$100,000.00 and costs of this proceeding including attorneys' fees. Further, Claimant requests rescission of the real estate limited partnership and an amount equal to any tax liability payable resulting from the real estate limited investment.

Respondent requests that the Statement of Claim be dismissed.

AWARD

On March 30, 1990 in Oklahoma City, Oklahoma, during a hearing lasting three (3) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on August 29, 1988 By Claimants B. Conner and Halina V. Johnson. No Submission Agreement was submitted or signed by Nick Valentino.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim is dismissed in its entirety.
2. Each party shall bear its own attorney fees and costs of the hearing.
3. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$500.00 filing fee previously deposited with the NASD by the Claimant B. Conner and Halina V. Johnson. The Claimants shall pay to the NASD the remaining \$250.00 fee owed.

By the Panel

Dated: 03/30/90 /S/ John K. Ulrey
Presiding Char

Dated: 03/30/90 /S/ Freeman H. Beets

Dated: 03/30/90 /S/ Michael J. Kitchen

Date Served: 04/25/90