

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Harris and Colleen Beckman

Claimant(s)

vs.

Greentree Securities, Inc., and
James Goldberg

Respondent(s)

AWARD

CASE NO. 88-03005

SUMMARY OF ISSUES

This case was filed on September 26, 1988.

Claimants allege that Greentree Securities and its employee, James Goldberg, solicited purchases of OTC securities from them without disclosing the risks inherent in such investments. Claimants also allege that Respondent knew that the funds used to purchase various securities were set aside for Claimants' retirement and were to be invested conservatively.

Respondents did not submit an Answer or appear at the hearing. All attempts to serve Respondents with notice of the claim and the date and situs of the hearing were refused by them.

DAMAGES AND RELIEF REQUESTED

Claimants seek to recover their losses according to proof, plus costs of the hearing.

DAMAGES AND RELIEF AWARDED

On July 25, 1989 in Los Angeles, California, the undersigned arbitrators heard in one session the controversy between the parties as set forth in submissions to arbitration signed by Claimants Harris and Colleen Beckman; Respondents Greentree Securities and James Goldberg did not submit an Answer or appear at 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. Respondents Greentree Securities and James Goldberg are jointly and severally liable and shall pay to Claimants Harris and Colleen Beckman the principal sum of One Hundred Sixty-seven Thousand, Seven Hundred Fifteen Dollars and No Cents (\$167,715.00).

2. Respondents Greentree Securities and James Goldberg are jointly and severally liable and shall pay to Claimant Thirty-five Thousand Two Hundred Nineteen Dollars and Fifty-six Cents (\$35,219.56) in interest.

3. Respondents Greentree Securities and James Goldberg are jointly and severally liable and shall pay to Claimants the sum of Seventy-five Thousand Dollars and No Cents (\$75,000.00) in punitive damages for their intentionally fraudulent conduct in their dealings with Claimants.

4. The Respondents are jointly and severally liable and shall pay to Claimant Seven Hundred and Fifty Dollars and No Cents (\$750.00) in costs.

5. Pursuant to Section 43 of the National Association of Securities Dealers, Inc. (NASD) Code of Arbitration Procedure, the NASD shall retain the \$750.00 filing fee previously deposited by the Claimant.

OTHER ISSUES

None applicable.

ARBITRATORS CONCURRING

DATE SERVED: 09/08/89

Thomas I. Friedman, Esq.



Richard Lawrence

Jane Katz Crist, Esq.