

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between :  
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Jacquelyn Reinach : AWARD  
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Claimant : #88-03943  
vs. :   
:   
Margaretten Securities Corporation :   
Ellen Margaretten :   
Burton Blank :   
Respondents :  
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Case Summary

Claimant Jacquelyn Reinach alleged that Respondents exposed her to great risks by executing unsuitable options trades in her account. Claimant further alleged that the investments made by the Respondents including an IRA account, were contrary to her expressed objectives and were made based upon false and fraudulent representations of fact and allegedly were made for the purpose of generating excessive commissions.

Respondents maintained that they acted in accordance with Claimant's instructions and denied that their actions did not conform with Claimant's expressed objectives. Respondents further maintained that the Claimant possessed full knowledge of the activity of her account and failed to object to Respondents' trading actions.

Relief Requested

Claimant requested rescission of all transactions and damages of \$105,996.17 plus interest from June 2, 1987 until the date of the award plus costs. Claimant further requested \$1,000,000.00 in punitive damages and an award under RICO in the amount of \$317,898.51 plus attorneys fees. Respondents requested that the claims of the Claimant be dismissed along with costs and disbursements of the arbitration.

Award

On February 6, 1990 and February 7, 1990 in New York City in four (4) hearing sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Jacquelyn Reinach on October 13, 1988, by Respondent Margaretten Securities Corporation on March 3, 1989 and by Respondent Ellen Margaretten on March 3, 1989. Respondent Burton Blank did not sign a Submission Agreement as required by Sections 12 and 25 of the Code of Arbitration Procedure and was not present except through his counsel at the hearing on February 6, 1990 and February 7, 1990. The initial claim was filed on December 27, 1988. 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. Respondent Margaretten Securities Corporation is liable and shall pay to the Claimant the sum of Eighty Eight Thousand One Hundred Twenty Six Dollars and No Cents (\$88,126.00).
2. The claims of the Claimant against Respondents Ellen Margaretten and Burton Blank are dismissed in their entirety.
3. The Claimant's claim for punitive damages and RICO damages is denied.
4. The parties shall each bear their respective costs including attorney fees.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$1,000.00 filing fee previously deposited by the Claimant. Pursuant to Section 43 of the Code of Arbitration Procedure, forum fees in the amount of \$1,000.00 are assessed against the Claimant Jacquelyn Reinach and forum fees in the amount of \$2,000.00 are assessed against Respondent Margaretten Securities Corporation.

STATE OF  
COUNTY OF

New York  
New York

s.s.:

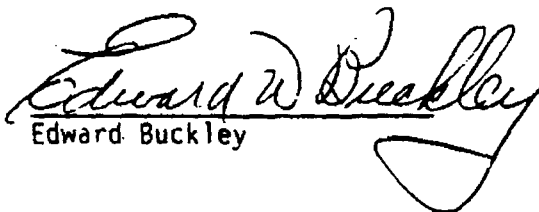
On this 14<sup>th</sup> day of March, 1970, before me personally appeared Robert B. Weintraub to me known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same.

Sarah K. Steiner  
SARAH K. STEINER  
NOTARY PUBLIC  
STATE OF NEW YORK  
NO 31-4941593  
QUALIFIED IN NY CONW  
COMMISSION EXPIRES 8/1

CONCURRING ARBITRATORS

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Robert B. Weintraub

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Melvin Lyon

  
\_\_\_\_\_  
Edward Buckley

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