

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Donald Ungar  
Iris Ungar

Claimants

vs.

Kidder Peabody & Co., Inc.  
Mark Wildman  
Gerrard Harris

Respondents

CASE #89-00147  
AWARD

CASE SUMMARY

Claimants Donald and Iris Unger (the "Ungers") allege that Respondents Kidder, Peabody & Co., Inc. ("Kidder, Peabody"), Mark Wildman ("Wildman"), and Garrard Harris ("Harris") placed the Ungers on a margin account without their knowledge and without disclosure. Further, the Ungers contend that all the Respondents mishandled their account and permitted unauthorized margin trading. In addition, Claimants contend that by purchasing municipal and state bonds on margin, renders the interest on such margin debt not deductible.

Respondents Kidder, Peabody, Wildman and Harris deny the allegations. The Respondents claim that the Ungers not only knew they had a margin account, but also understood margin. Respondents further contends that Claimant is seeking damages in not taking into account the income earned by the margin securities.

RELIEF REQUESTED

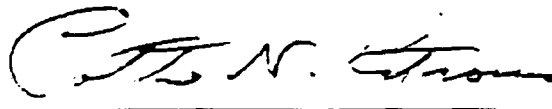
The Ungers request \$12,593.43 which sum represents interest applied to their margin account. Respondents Kidder, Peabody, Wildman and Harris seek dismissal and costs.

AWARD

On April 6, 1990, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration, submitted by Claimants on May 2, 1989, and by Respondents on July 11, 1989. The hearing was held at the N.A.S.D. Inc. located in New York City, NY and consisted of two days of testimony. The arbitrator, 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. Claims against Respondent Garrard Harris are dismissed.
2. Respondents Kidder, Peabody and Wildman be and hereby are jointly and severally liable and shall pay to the Ungers the sum of Twenty Two Hundred Dollars and No Cents (\$2,200.00), plus 9% interest from the date of this award in full satisfaction of all claims.
3. The parties shall each bear their respective costs including attorney's fees.
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$400.00 filing fee previously deposited by the Claimants, and assess \$400.00 of the remaining forum fees against Kidder Peabody.

CONCURRING ARBITRATOR

A handwritten signature in cursive script, appearing to read "C. N. Katsoris", is written over a horizontal line.

CONSTANTINE N. KATSORIS

DATED: APRIL 30, 1990