

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between)	
)	
Lee Brozen)	
)	
Claimant(s))	
)	
and)	CASE NO. 89-00379
)	
Norstar Brokerage Corporation)	
)	
Respondent(s))	
)	

CASE SUMMARY

In a claim filed with the NASD on or about February 8, 1989, Claimant Lee Brozen ("Claimant") alleged that Respondent Norstar Brokerage Corporation ("Respondent") breached its fiduciary duty to her by failing to inform her of Itel Corporation's reorganization and exchange plan. Claimant held \$15,000.00 of Itel 6-3/4% (SSI) Subordinate Debentures.

In its answer and cross-claim filed with the NASD on or about April 21, 1989, Respondent stated that as a discount brokerage it had no duty to research or investigate the circumstances of the bankruptcy of and subsequent reorganization by Itel Corporation. Respondent also stated that Itel Corporation failed to notify it of the reorganization and was therefore unable to pass information to Claimant. Respondent further stated any loss suffered by the Claimant was a result of the failure of Itel to notify Respondent of the reorganization or of the negligence of the Claimant.

RELIEF REQUESTED

Claimant requested an award in the amount of \$15,200.00 plus interest.

Respondent requested that the Statement of Claim be dismissed.

AWARD

On Thursday, May 10, 1990 in Chicago, Illinois during a hearing lasting one session, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on February 7, 1989 by Claimant Lee Brozen, and on April 20, 1989 by John A. Chepak on behalf of Respondent Norstar Brokerage Corporation.

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. Respondent Norstar Brokerage Corporation shall be and hereby is liable for and shall pay to Claimant the sum of \$3,000.00 (Three Thousand Dollars and No Cents);

2. Each party shall bear its own costs and expenses incurred in this matter not specifically enumerated herein;

3. No interest is awarded on the above stated sum; and

4. Pursuant to Section 43(b) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$400.00 filing fee previously deposited with the NASD by the Claimant Lee Brozen.

BY THE PANEL

Dated: May 10, 1990

/S/Sheldon I. Saitlin, Esq.
Presiding Chair

Dated: May 10, 1990

/S/James S. Teborek, Esq.

Dated: May 10, 1990

/S/Mr. Lee Mikell