

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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In the Matter of Arbitration Between

Catherine S. Leonard

Claimant

CASE #89-00735

AWARD

vs.

L.F. Rothschild, Unterberg, Towbin, Inc.

Albert Fagan

Respondents

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CASE SUMMARY

Claimant, Catherine S. Leonard alleges that Respondents, L.F. Rothschild, Unterberg, Towbin, Inc. and Albert Fagan made unsuitable recommendations of new issues and unseasoned stocks, churned her account, failed to disclose risk and that the firm failed to properly supervise Albert Fagan. Claimant further alleges that Respondents violated Federal Securities Laws, Massachusetts Securities Laws and Various Common Laws.

Respondents, L.F. Rothschild, Unterberg, Towbin, Inc. and Albert Fagan, deny the allegations of wrongdoing and maintain that the trades in the account were consistent with her investment objectives. Respondents further allege five affirmative defenses.

RELIEF REQUESTED

Claimant seek an award of \$98,328.00 which includes expert fees and prejudgment interest at a rate of twelve percent (12%), \$8,856.00 attorney's fees and costs and \$84.00 in disbursement. Respondents request that the panel dismiss the claim, assess costs against the Claimant and award them other just and equitable relief.

AWARD

On November 30, 1989, December 19, 1989 and March 23, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant, Catherine S. Leonard on February 13, 1989 and by the Respondents L.F. Rothschild and Albert Fagan on June 19, 1989 and July 28, 1989 respectively. The hearing was held in Boston, Massachusetts and consisted of six sessions. 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 L.F. Rothschild, Unterberg, Towbin, Inc. and Albert Fagan are hereby jointly and severally liable to the Claimant and shall pay her Four Thousand, Nine Hundred and Ninety-Five Dollars and Zero Cents (\$4,995.00).

2. No interest is awarded on the above amount.
3. The parties shall each bear their respective costs, including attorneys' fees;
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities dealers, Inc. shall refund the \$500.00 filing fee previously deposited by the Claimant.
5. Respondent L.F. Rothschild, Unterberg, Towbin, Inc. and Albert Fagan are assessed forum fees in the amount of \$1,500.00 each payable to the National Association of Securities Dealers, Inc. in accordance with Section 43 of the Code of Arbitration Procedure.

I dissent, Mary C. Kelleher
Mary C. Kelleher

Dated: May 22, 1990

2. No interest is awarded on the above amount.
3. The parties shall each bear their respective costs, including attorneys' fees;
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities dealers, Inc. shall refund the \$500.00 filing fee previously deposited by the Claimant.
5. Respondent L.F. Rothschild, Unterberg, Towbin, Inc. and Albert Fagan are assessed forum fees in the amount of \$1,500.00 each payable to the National Association of Securities Dealers, Inc. in accordance with Section 43 of the Code of Arbitration Procedure.

CONCURRING ARBITRATOR

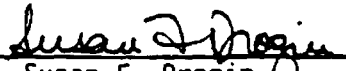


Theodore R. Turner

Dated: May 30, 1990

2. No interest is awarded on the above amount.
3. The parties shall each bear their respective costs, including attorneys' fees;
4. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities dealers, Inc. shall refund the \$500.00 filing fee previously deposited by the Claimant.
5. Respondent L.F. Rothschild, Unterberg, Towbin, Inc. and Albert Fagan are assessed forum fees in the amount of \$1,500.00 each payable to the National Association of Securities Dealers, Inc. in accordance with Section 43 of the Code of Arbitration Procedure.

CONCURRING ARBITRATOR


Susan F. Drogin

Dated: ~~May~~ June 8, 1990