

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of
Securities Dealers, Inc.
Suite 1680
Three First National Plaza
Chicago, IL 60602
(312) 899-4440

In the Matter of the Arbitration Between

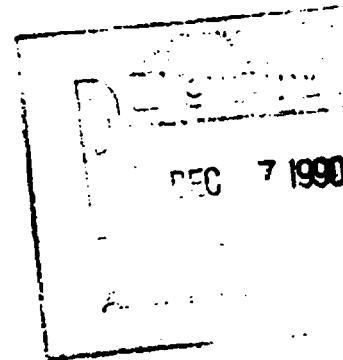
Name of Claimant(s)

James Robinson

89-01290

Name of Respondent(s)

Indiana National Brokerage Services, Inc
BHC Securities, Inc.
L.F. Rothschild Unterberg Towbin
Rosenkrantz Lyon & Ross, Inc.



CASE SUMMARY

In a claim filed with the NASD on or about May 1, 1989, and as subsequently amended, James Robinson ("Claimant") alleged that he authorized Respondents Indiana National Brokerage Services, Inc. (hereinafter "INBS") and BHC Securities Inc. (hereinafter "BHC") to transfer possession of certain shares of stock owned by the Claimant from his brokerage companies to INBS and BHC. Claimant asserts that he was later notified by INBS and BHC that they would not and could not execute the transfer. Claimant then states that later, without authorization, INBS and BHC attempted to transfer the stock to their possession and when Claimant attempted to sell the shares through Respondent Rosenkrantz Lyon and Ross, Incorporated ("Rosenkrantz") he could not, due to the request for transfer submitted to Respondent L. F. Rothschild Unterberg Towbin ("Rothschild") by INBS and BHC. Claimant asserted that due to his inability to sell these shares and Respondents' failure execute Claimant's orders to sell the securities prior to a severe decline suffered by the market in October 1987, Claimant incurred losses in his account.

In an answer filed by Respondent Rothschild, Rothschild denied liability for any damage Claimant may have incurred due to his inability to sell his securities, and asserted a counterclaim against the Claimant for a deficit in his account with Rothschild in which Claimant incurred a margin debit and failed to satisfy the outstanding balance of his margin loan. Claimant, in a reply to Rothschild's counterclaim, stated that any deficiency in the amount of Claimant's margin account balance was caused by Rothschild's breaches of duty to Claimant, and requested that Rothschild take nothing in its counterclaim against the Claimant.

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Rothschild also brought a crossclaim against the remaining Respondents, which stated that if Rothschild is held liable to the Claimant, or if Claimant is relieved of his obligation to Rothschild, then the remaining Respondents should be held liable to Rothschild for any and all amounts it may have to pay to the Claimant and for any and all amounts that Rothschild may be unable to recover from the Claimant.

In an answer filed by Respondent INBS, INBS denied all allegations of wrongdoing asserted by the Claimant and affirmatively stated that: 1) the losses and damages of which Claimant complains were proximately caused by Claimant's own negligence; 2) the Statement of Claim fails to state a claim against this Respondent upon which relief may be granted; 3) at no time did this Respondent have legal or equitable title to, or control of, certain securities owned by and requested to be sold by the Claimant; and, 4) the Claimant incurred the risk of the damages which he alleges he sustained. INBS also submitted a crossclaim which states that if INBS is held liable to Claimant, then Rothschild and Rosenkrantz should be held liable to INBS for any and all amounts it may have to pay to Claimant.

In an answer filed by Respondent Rosenkrantz, Rosenkrantz asserted that Rosenkrantz' actions did not constitute a breach of any contractual obligation to the Claimant, nor did its actions constitute a breach of its duty to provide reasonable services for Claimant or constitute an unauthorized claim or control over Claimant's property, nor were the actions of Rosenkrantz the proximate cause of the loss. Respondent Rosenkrantz also submitted a crossclaim which states that to the extent that Rosenkrantz is held liable to Claimant, then the remaining Respondents be held liable to Rosenkrantz for any and all amounts it may have to pay to Claimant.

In an answer filed by Respondent EHC, EHC alleged that it is not liable for losses incurred by the Claimant and affirmatively stated that: 1) the losses and damages of which Claimant complains were proximately caused by Claimant's own negligence; 2) the Statement of Claim fails to state a claim against this Respondent upon which relief may be granted; 3) at no time did this Respondent have equitable title to or control of, certain securities owned by and requested to be sold by the Claimant; and, 4) Claimant incurred to the risk of the damages which he alleges he sustained.

PROCEDURAL SUMMARY

Prior to the presentation of evidence at the hearing, a motion was made on behalf of Respondent L. F. Rothschild Unterberg Towbin to have Rothschild dismissed as a party to the proceeding. The motion, as asserted, was denied by the arbitrators.

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RELIEF REQUESTED

Claimant requested damages in excess of \$81,000.00, plus interest.

Respondent Rothschild in its counterclaim, requested damages in the amount of \$19,660.30, plus interest.

AWARD

On November 14th, 15th and 16th, 1990 in Indianapolis, Indiana during a hearing lasting a total of five (5) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on April 27, 1989 by Claimant James Robinson, on June 12, 1989 by Robert Scheider on behalf of Respondent Indiana National Brokerage Services, Inc., on June 14, 1989 by Robert B. Kaplan on behalf of Respondent BHC Securities, Inc., on June 27, 1989 by Kevin T. Hoffman on behalf of L. F. Rothschild Unterberg Towbin, and on June 28, 1989 by Dan Purjes on behalf of Respondent Rosenkrantz Lyon and Ross Inc.

The arbitration panel, having considered the pleading, 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. The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD, Inc.
2. Respondent Indiana National Brokerage Services, Inc. is liable for and shall pay to Claimant, damages in the amount of Five Thousand One Hundred Seventy Six Dollars and Fifty Cents (\$5,176.50).
3. Respondent BHC Securities, Inc. is liable for and shall pay to Claimant, damages in the amount of Eight Thousand Eight Hundred Seventy Four Dollars (\$8,874.00)
4. Respondent Rosenkrantz Lyon & Ross, Inc. is liable for and shall pay to Claimant, damages in the amount of Forty Seven Thousand Three Hundred Twenty Eight Dollars (\$47,328.00).
5. Respondent L. F. Rothschild Unterberg Towbin is liable for and shall pay to Claimant, damages in the amount of Twelve Thousand Five Hundred Seventy One Dollars and Fifty Cents (\$12,571.50).
6. Respondent Rothschild's counterclaim is hereby granted. Claimant is

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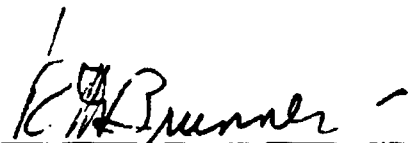
liable for and shall pay to Respondent L. F. Rothschild Unterberg Towbin,
damages in the amount of Twenty Four Thousand Two Hundred Thirty One Dollars
and Thirty Two Cents (\$24,231.32).

7. All crossclaims, as asserted, are dismissed.
8. All parties are to pay their own attorneys' fees and expenses.

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the
National Association of Securities Dealers, Inc. shall retain the hearing
session deposit in the amount of \$750.00 previously deposited with the NASD
by the Claimant.

Arbitrator(s) Signature

Dated: Dec. 3, 1990


Robert H. Brunner, Esq.

Dated: _____

Theodore C. Willoughby

Dated: _____

Jerry McMullen

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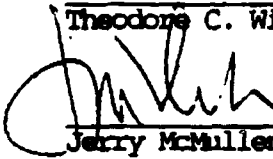
Dated: _____

Robert H. Brunner, Esq.

Dated: _____

Theodore C. Willoughby

Dated: 12/3/90


Jerry McMullen