

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between		
Georgia L. Brooks & David Brooks	Claimants	
vs.		AWARD
Bateman Eichler, Hill Richards, Inc., & Myles Morley	Respondents	CASE NO. 89-01633

SUMMARY OF ISSUES

Claimants alleged Respondents breached their fiduciary duty by placing this account on margin, that margin was unsuitable for an account of this size and for the conservative financial objectives of Claimants, that Respondents failed to disclose the potential risks and costs of investing on margin and that Respondent Morley misrepresented the capacity of the common stocks and warrants purchased to generate a guaranteed return on capital.

Respondents denied all allegations, and asserted that all aspects of the account were fully disclosed, that no guarantees whatsoever were made, and that the decline in value in the account was a result of the October 1987 market crash.

DAMAGES AND RELIEF REQUESTED

Claimants requested damages of \$135,000.00 plus prejudgment interest at 10% per annum and attorney's fees. The calculation of damages was amended at the hearing to \$55,000.00, which included prejudgment interest and attorney's fees.

Respondents requested dismissal of all claims.

DAMAGES AND RELIEF AWARDED

This claim was filed with the NASD on June 5, 1989. On April 20, 1990, the undersigned arbitrators heard the controversy between the parties pursuant to submissions to arbitration signed by Georgia Brooks on May 4, 1989, by David Brooks on May 20, 1989, by a corporate representative of Bateman Eichler on August 28, 1989, and by Myles Morley on September 22, 1989. The hearing was held in two (2) sessions in Los

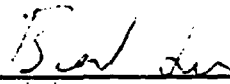
Angeles, California. The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has determined in full and final resolution of the issues submitted as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimant Georgia L. Brooks the sum of \$15,000.00 in satisfaction of all claims.

2. The parties shall each bear their respective costs including attorney's fees.

3. In accordance with Section 43 of the National Association of Securities Dealers, Inc (NASD) Code of Arbitration Procedure, the NASD shall retain the \$750.00 filing fee previously deposited by the Claimant as an assessment of forum fees by the arbitrators.

DATE SERVED: 05/15/90



Bert Levy