

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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* In the Matter of the Arbitration Between/Among          *
*                                                         *
*      William R. and Phyllis A. Marshall                  *      Case #89-02279
*                                                         *      AWARD
*                                                         *
*              Claimants                                  *
*      vs.                                                 *
*      Keith M. Pillich                                   *
*              Respondent                                  *
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CASE SUMMARY

Claimants William R. and Phyllis A. Marshall alleged that Respondent Keith M. Pillich misrepresented to the Claimants that their investments with him would be invested in conservative, safe securities with low-risk and high-liquidity and, rather, were placed in investments that were high-risk, low quality securities. Claimants further alleged that the investments recommended by the Respondent were unsuitable in view of their financial situation, education, financial knowledge, and investment objectives. Respondent Keith M. Pillich maintained that any misrepresentations made to the Claimants were made by their tax advisor and accountant who presented the investments to them. Respondent further maintained that he determined the suitability of all investments for the Claimants based on representations made by the tax advisor and accountant concerning Claimants economic capabilities.

RELIEF REQUESTED

Claimants requested damages in an amount exceeding \$95,385.00 together with punitive damages, interest, costs (including the arbitration filing fee) and disbursements. In the alternative, Claimants requested rescission of their investments in Liberty Pacific, Speakeasy, Manor Homes and Bird Avenue together with punitive damages, interest, costs and disbursements. Respondents requested that the Claims of the Claimants be dismissed and asserted a third party claim for indemnification against the Claimants' tax advisor and accountant. Claimants subsequently asserted a Motion to Strike the Third Party claim of the Respondent.

AWARD

On February 16, 1990, March 28, 1990, May 8, 1990, May 10, 1990 and June 4, 1990 in Buffalo, New York, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimants William R. and Phyllis A. Marshall on August 8, 1989, and by Respondent Keith M. Pillich on December 27, 1989.

The initial claim was filed on August 14, 1989. 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. Respondent Keith M. Pillich is liable and shall pay to the Claimants:
  - (a) Twenty-One Thousand Six Hundred Thirty-Five Dollar And No Cents (\$21,635.00) plus interest of 7% from November 12, 1986 through the date of payment of this award;
  - (b) Five Hundred Dollars And No Cents (\$500.00) plus interest of 7% from March 20, 1987 through the date of payment of this award;
  - (c) Thirty Thousand Dollars And No Cents (\$30,000.00) plus interest of 7% from November 26, 1986 through the date of payment of this award;
  - (d) Twenty-Seven Thousand Dollars And No Cents (\$27,000.00) plus interest of 7% from December 30, 1986 through the date of payment of this award.
2. The Claimants's claim for punitive damages be and hereby is dismissed.
3. The parties shall bear their prspective costs including attorneys fees.
4. The Motion to Strike the Third Party Claim of Respondent Keith M. Pillich is granted as determined at the hearing by the arbitrators in this matter.
5. 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 and assesses \$4,500.00 in forum fees against Respondent Keith M. Pillich made payable to the National Association of Securities Dealers, Inc. as costs of the nine (9) hearing sessions conducted in this matter.

CONCURRING ARBITRATORS

Robert B. Gleichhaus  
Robert Gleichhaus

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Joseph M. Nasca

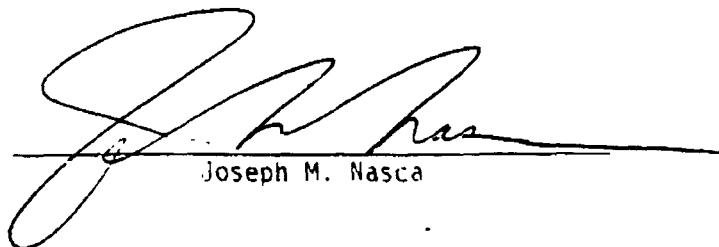
\_\_\_\_\_  
Richard Scalfani

Dated: July 23, 1990

CONCURRING ARBITRATORS

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Robert Gleichenhaus



Joseph M. Nasca

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Richard Scalfani

Dated: , 1990

CONCURRING ARBITRATORS

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Robert Gleichenhaus

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Joseph M. Nasca

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*Richard A. Scalfani*  
Richard Scalfani

Dated: *July 19*, 1990