

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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: In the Matter of the Arbitration Between :  
: :  
: Paul Riviere :  
: Bonnie Riviere :  
: :  
: Claimants : CASE# 89-02728  
: vs. :  
: :  
: Charles Schwab & Company, Inc. :  
: Monmouth Investments, Inc. :  
: Securities Settlement Corporation :  
: Wall Street Clearing Company :  
: John T. Moyle :  
: Respondents :  
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Heard before:

Edward M. Sills, Esq.	Public Arbitrator
John Edward McCracken	Public Arbitrator
Lewis Silver, Esq.	Industry Arbitrator

CASE SUMMARY

Claimants alleged Respondents conducted unsuitable trades, churned the account, gave negligent and fraudulent investment advice, failed to supervise and failed to make proper executions, and that Respondents John T. Moyle and Monmouth Investments, Inc. actions were done with willful and malicious intent and disregard of Claimant's rights and financial well-being.

Claimants allege Respondent Securities Settlement Corporation was negligent in failing to execute Claimants' order to liquidate 13 ROR April 40 calls and other securities.

Respondent John T. Moyle asserts all trades were made with full and complete knowledge and acquiescence of Claimants, that he was neither negligent nor was there any basis to charge him with fraud, or churning of the account, and that he did not fail to properly monitor Claimants' investments.

Respondent Securities Settlement Corporation alleges that as clearing agent it had no responsibility to liquidate any securities in the account, and that its voluntary liquidation of the ROR calls was due and timely. Respondent Securities Settlement Corporation asserted a cross-claim against Respondents John T. Moyle and Monmouth Investments, Inc. alleging that if an award is rendered against Respondent Securities Settlement Corporation, such award will have been brought about and caused wholly by the acts, transactions and omissions of Respondents John T. Moyle and Monmouth Investments, Inc. and not by any acts,

transactions or omissions of Securities Settlement Corporation and further alleged Respondent Monmouth Investments, Inc. is required under the Clearing Agreement to indemnify Securities Settlement Corporation for its costs, including attorneys' fees and expenses. Respondent John T. Moyle denied any liability and maintained the cross-claim and all claims against him should be dismissed.

Claims asserted against Respondents Charles Schwab & Company, Inc. and Wall Street Clearing Company have been settled.

#### RELIEF REQUESTED

Claimants requested damages of \$21,795.00. Respondent Securities Settlement Corporation requested dismissal of claim and requested that if an award be rendered against it, it be indemnified by the Respondent John T. Moyle and Respondent Monmouth Investment, Inc. in such amount as may be proper, including legal fees and expenses with interest. Respondent John T. Moyle requested dismissal of all claims against him.

#### AWARD

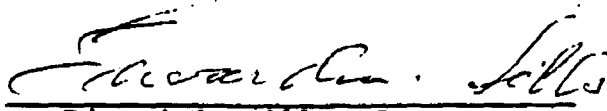
On January 16 and 17, 1991 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant Paul J. Riviere on January 16, 1991 and by Claimant Bonnie Riviere on November 6, 1989, and by Respondent John T. Moyle on January 8, 1990 and by Respondent Charles Schwab & Company, Inc. on February 15, 1990 and by Respondent Wall Street Clearing Company on March 8, 1990 and by Respondent Securities Settlement Corporation on February 15, 1990 and not signed by Respondent Monmouth Investment, Inc. as required pursuant to Section 8 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure. The hearing was conducted at the offices of the National Association of Securities Dealers, Inc. located in New York City, NY and consisted of four (4) hearing 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:

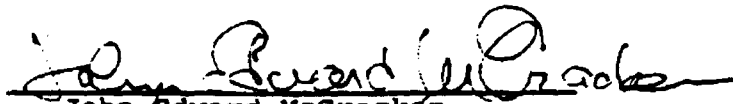
1. In accordance with Section 25 of the Code of Arbitration Procedure, the Respondent Monmouth Investment, Inc. was served with the Statement of Claim and given an opportunity to respond.
2. In accordance with Sections 21 and 26 of the Code of Arbitration Procedure, the Respondent Monmouth Investment, Inc. was given due notice of the hearing procedure by regular and certified mail and failed to appear at the hearing.
3. In accordance with Section 29 of the Code of Arbitration Procedure, the arbitration panel determined in light of the foregoing information to proceed with the hearing as scheduled.
4. Prior to the commencement of the first hearing session the arbitration panel was informed that the Claimants Paul and Bonnie Riviere had reached a settlement agreement with the Respondents Charles Schwab & Company, Inc. and Wall Street Clearing Company.
5. All claims against Respondent John T. Moyle be and hereby are dismissed in all respects.
6. The Respondents Monmouth Investments, Inc. and Securities Settlement Corporation be and hereby are liable jointly and severally and shall pay to the Claimants Paul and Bonnie Riviere the sum of One Thousand One Hundred Fifty Five Dollars and No Cents (\$1,155.00), interest specifically excluded.
7. The parties shall each bear their respective costs, including attorneys' fees.

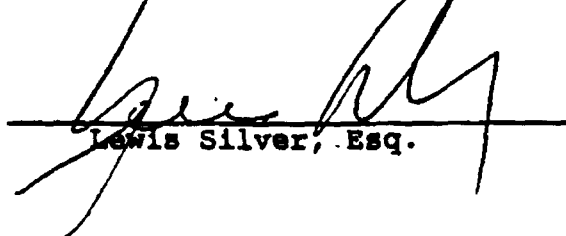
FORUM FEES

Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain the \$500.00 filing fee previously deposited by the Claimants. In addition, the Claimants Paul and Bonnie Riviere be and hereby are liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Six Hundred Dollars and No Cents (\$600.00) to represent forum fees and the Respondent Securities Settlement Corporation be and hereby is liable and shall pay to the National Association of Securities Dealers, Inc. the sum of Six Hundred Dollars and No Cents (\$600.00) to represent forum fees.

ARBITRATORS SIGNATURES

  
Edward M. Sills, Esq.

  
John Edward McCracken

  
Lewis Silver, Esq.

Date of Decision: February 11, 1991