

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between	x
	x
Merrill Lynch, Pierce, Fenner, & Smith, Inc.	x
	x
Claimant	x
	x CASE NO.
vs.	x 89-02857
	x
Alan Sheketoff, Ronald Buckman,	x AWARD
and Laurel Buckman	x
	x
Respondents	x
	x

CASE SUMMARY

Claimant, Merrill Lynch, Pierce, Fenner & Smith, Inc., ("Claimant") alleged that Respondents Ronald and Laurel Buckman ("Buckmans"), with the knowing aid, assistance and participation of Respondent Alan Sheketoff ("Sheketoff"), made false representations to induce the Claimant to purchase National Royalty Corporation ("NROC") stock for the Buckmans' accounts. Claimant alleged that the Buckmans only intended to pay for their purchases if the price of the NROC stock rose before payment was due, and that the Buckmans' subsequent refusal to pay for their purchases resulted in a liquidation of their account as well as a debit balance which remains outstanding. Claimant also alleged that Sheketoff assisted and conspired with several of Claimant's other customers to "free-ride" in NROC.

Sheketoff contended that all his actions were approved of and authorized by the Claimant, and that the proximate cause of the Claimant's damages were the actions of its customers and its own supervisory personnel, and not those of Sheketoff. The Buckmans denied they engaged in "free-riding", and contended that Sheketoff made various misrepresentations concerning NROC's potential as well as the procedure in which the Buckmans could settle their trades. The Buckmans asserted a crossclaim against Sheketoff in which they alleged he willfully and knowingly made misrepresentations in connection with the purchases and sales of NROC and Fertil A Chron stock. The Buckmans also asserted a counterclaim in which they alleged the Claimant knowingly or recklessly aided and abetted Sheketoff in his fraudulent conduct and failed to act in good faith in controlling him.

RELIEF REQUESTED

Claimant requested actual damages against the Buckmans of \$100,888.44, inclusive of interest, plus costs of \$20,719.46, and dismissal of the counterclaim. Claimant requested compensatory damages from Sheketoff in an indeterminate amount. Alan Sheketoff requested dismissal of all claims and crossclaims made against him, plus costs and expenses. The Buckmans requested dismissal of all claims made against them, plus pursuant to their counterclaim and crossclaim, actual damages of \$ 7,000.00, plus costs and attorneys' fees.

AWARD


On September 12 & 13, and October 3, 1990, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimant Merrill Lynch on September 18, 1989, by Respondent Alan Sheketoff on January 19, 1990, and by Respondents Ronald and Laurel Buckman on February 15, 1990. The initial claim was filed on October 16, 1989. The hearing was conducted at the offices of the National Association of Securities Dealers, Inc. in New York City, NY, and consisted of six (6) hearing sessions. The arbitration panel having considered the pleadings, the testimony, and the evidence presented at and after the hearing, has determined in full and final resolution of the issues submitted for determination as follows:

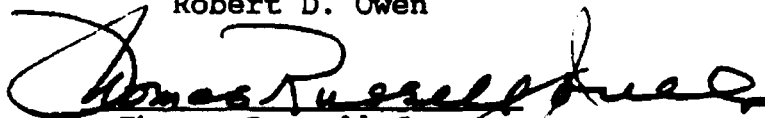
1. Respondents Ronald and Laurel Buckman be and hereby are jointly and severally liable and shall pay to the Claimant Merrill Lynch the sum of EIGHTY FIVE THOUSAND DOLLARS AND NO CENTS (\$85,000.00), inclusive of all interest.
2. Respondent Alan Sheketoff be and hereby is liable and shall pay to the Claimant Merrill Lynch the sum of ONE THOUSAND DOLLARS AND NO CENTS (\$1,000.00), inclusive of interest.
3. All counterclaims and crossclaims be and hereby are dismissed in their entirety.

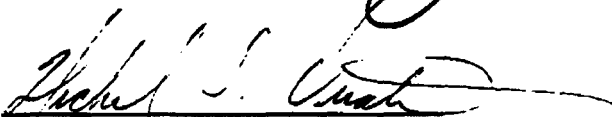
Page 3
NASD No. 89-02857
Merrill Lynch
AWARD

4. The parties each shall bear their respective costs including attorneys' fees.
5. Pursuant to Section 43 of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. ("NASD") shall retain the \$1,000.00 filing fee previously deposited by the Claimant, and the Claimant be and hereby is liable and shall pay to the NASD, Inc. the sum of ONE THOUSAND DOLLARS AND NO CENTS (\$1,000.00), the Respondent Sheketoff be and hereby is liable and shall pay the NASD, Inc. the sum of TWO THOUSAND DOLLARS AND NO CENTS (\$2,000.00), and the Respondents Ronald and Laurel Buckman be and hereby are jointly and severally liable and shall pay the NASD, Inc. the sum of TWO THOUSAND DOLLARS AND NO CENTS (\$2,000.00) as costs of the six (6) hearing sessions conducted in this matter.

CONCURRING ARBITRATORS


Robert D. Owen


Thomas Russell Jones


Michael J. Quatela

Dated: November 21st ,1990