

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

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: In the Matter of the Arbitration Between :
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: Taggart Inc. t/a Ronald                 :
: Folk & Co., Ronald Folk,               :
: Gary Vogt and Thomas W. Brucia         :
:                                           :
:                                     Claimants : CASE# 90-00684
: vs.                                     :
:                                           :
: Lawrence E. Heller                     :
: Robert Langsam                         :
: Diversified Financial Management        :
: Brekne Corporation                     :
: USLife Equity Sales Corp.              :
: United States Life Insurance Company    :
:                                     Respondents :
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Heard before:

Murray I. Sommer, Esq.	Public Arbitrator
Jack Friedman, Esq.	Public Arbitrator
Joseph E. DaGrosa	Industry Arbitrator

CASE SUMMARY

Claimant Ronald Folk & Co. had been engaged in the business of effecting transactions on behalf of public customers by acting as an independent entity under the broker/dealer qualifications of National Association of Securities Dealers, Inc. member firms. Claimant Ronald Folk is a registered representative and the sole owner of Ronald Folk & Co. Claimants Gary Vogt and Thomas W. Brucia were registered representatives employed by Ronald Folk & Co. During and prior to August 1989, all of the Claimants were engaged in the securities brokerage business as an entity functioning as a branch office of Emanuel & Co., a National Association of Securities Dealers, Inc. member.

Claimants alleged that the Respondent Robert Langsam, acting on behalf of himself and the other Respondents, falsely and fraudulently made misrepresentations to the Claimant Ronald Folk in order to induce the Claimants to transfer the securities and options transactions and business they were then conducting through Emanuel & Co. to the Respondent USLife Equity Sales Corp. Claimants also alleged that the Respondents were negligent in their dealings with Claimants, particularly in proposing, fostering and creating the relationship between the Claimants and the Respondent USLife Equity Sales Corp. and in causing Claimant Ronald Folk & Co. to sever its relationship with Emanuel & Co., and that the Respondents tortiously interfered with the economic advantage and contractual relationship which Claimants enjoyed with Emanuel & Co.

Respondents denied Claimants allegations and asserted affirmative defenses.

During the pendency of this arbitration Claimants Gary Vogt and Thomas W. Brucia voluntarily withdrew as parties to this proceeding, and the Respondent United States Life Insurance Company's application to be dismissed as a party was granted by the arbitration panel.

RELIEF REQUESTED

Claimants requested damages of "in excess of \$65,000.00". Respondents requested that Claimants claims be dismissed in their entirety.

AWARD

On August 22, 1990, October 26, 1990, January 9, 1991 and March 18, 1991 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by the Claimants on February 28, 1990, and by Respondents Lawrence E. Heller, Robert Langsam, Diversified Financial Management and Brekne Corporation on June 27, 1990 and by Respondent USLife Equity Sales Corp. on May 18, 1990. The hearings were conducted at the offices of the National Association of Securities Dealers, Inc. located in New York City, NY and consisted of seven (7) 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:

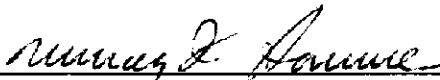
1. The Respondents Robert Langsam and USLife Equity Sales Corp. be and hereby are liable jointly and severally and shall pay to the Claimants Taggart Inc. t/a Ronald Folk & Co. and Ronald Folk the sum of Five Thousand Four Hundred Dollars and No Cents (\$5,400.00), interest specifically excluded.
2. All claims against all other Respondents be and hereby are dismissed in all respects.

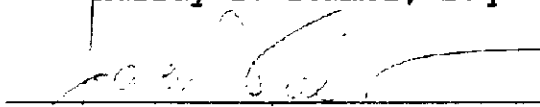
3. The parties shall each bear their respective costs, including attorneys' fees.

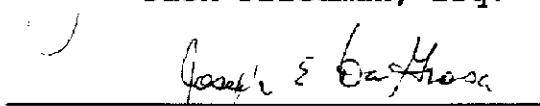
FORUM FEES

Pursuant to Section 43 of the Code of Arbitration Procedure, the Respondents Robert Langsam and USLife Equity Sales Corp. be and hereby are liable jointly and severally and shall pay to the National Association of Securities Dealers, Inc. the sum of \$3,650.00 to represent forum fees.

ARBITRATORS SIGNATURES


Murray I. Sommer, Esq.


Jack Friedman, Esq.


Joseph E. DaGrosa

Date of Decision: March 22, 1991

STATE OF *NY*

S.S:

COUNTY OF *NY*

On this *18th* day of *March*, 1991, before me personally appeared MURRAY I. SOMMER to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same

-----*Jill a. Webb*-----

STATE OF *NY*

S.S:

COUNTY OF *NY*

On this *18th* day of *March*, 1991, before me personally appeared JACK FRIEDMAN to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same

-----*Jill a. Webb*-----

STATE OF *NY*

S.S:

COUNTY OF *NY*

On this *18th* day of *March*, 1991, before me personally appeared JOSEPH E. DaGROSA to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he/she executed the same

-----*Jill a. Webb*-----