

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Omniscreen, Inc.

90-00925

Name of Respondent(s)

London Zurich Securities
Gary Alan Scharff
Stuart J. Thorn

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on March 29, 1990. Claimant alleged that Respondents agreed to raise funds via "private placement" for Claimants' medical company. Claimant further alleged that London Zurich Securities closed its offices and dismissed its brokers rendering them incapable of performing as they stated they could and would. Respondents denied the allegations in the claim. They alleged that no offer or acceptance was made regarding the sale of Omniscreen's securities by London Zurich Securities, no "Definitive Agreement" was ever entered into, the partial closing of Respondent's office had no effect on the offering of Claimant's securities, London Zurich did agree to pay Scharff \$1,000.00 a month to work on the Omniscreen offering which efforts were stopped after Omniscreen became uncooperative, without any legal obligation to do so Stuart Thorn attempted to interest larger investors in Claimant's offering and Omniscreen was not cooperative. Respondents asserted seven affirmative defenses and a counterclaim.

DAMAGES AND RELIEF REQUESTED

Claimant requested damages of \$52,000.00 plus compensation for: (1) loss of business, (2) loss of opportunity, (3) loss of the expected benefit from successful completion of the contract. Respondents requested dismissal of all claims against them, for attorneys' fees and costs, for consequential damages of \$100,000.00 and for such other and further relief as may be necessary to effectuate the orders requested.

DAMAGES AND RELIEF AWARDED

On January 9, 1991, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant March 26, 1990, by Respondent Stuart Thorn on May 30, 1990, by Respondent Gary Alan Scharff on May 30, 1990, and by Respondent London Zurich Securities, Inc. on May 30, 1990.

The hearing was conducted in Los Angeles, California and lasted two 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. Each and every claim against Respondents Stuart J. Thorn and Gary Alan Scharff is dismissed.
2. Respondent London Zurich Securities, Inc. is liable for and shall pay to Claimant the sum of Ten Thousand Eight Hundred Dollars (\$10,800.00), plus interest at the legal rate from November 1, 1989 until paid in full.
3. The Counterclaim of Respondent London Zurich Securities, Inc. is dismissed.
4. The parties shall each bear their respective costs including attorneys' fees.
5. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$1,000.00 filing fee previously deposited by the Claimant as an assessment of forum fees by the arbitrators. In addition, Respondent is also assessed fees of \$1,000.00 for forum fees, to be paid directly to the National Association of Securities Dealers, Inc.

Arbitrator(s) Signature


Frank R. Smith

Served January 25, 1991

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