

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

Kim Eileen Gilbert

Claimant

vs.

Wedbush Morgan Securities, Inc.

Glikzman Securities Corp.

Rosemary Shannon

and Harry Glikzman

Respondents

AWARD

NASD NO. 90-01245

REPRESENTATION

Claimant was represented by Michael E. Friedman, Esq., Attorney at Law. Respondent Wedbush Morgan Securities, Inc. was represented by Marie E. Eaton, Vice President at Wedbush Morgan Securities, Inc. Respondents Glikzman Securities Corp., Harry Glikzman, and Rose Mary Shannon were represented by H Thomas Fehn, Esq. of Field, Fehn & Sherwin.

SUMMARY OF ISSUES

This case was filed with the National Association of Securities Dealers, Inc. ("NASD") on May 3, 1990. Claimant alleged violations of California and Federal Securities Laws, common law fraud, breach of fiduciary duty, negligent misrepresentation, omission of material facts, recommending unsuitable trades, churning in order to create excessive commissions, improper margin investments causing large interest charges, unauthorized trades, and failure to follow directions to stop trading and close the account.

Respondents denied the allegations and maintained that Claimant's accounts were handled in a competent, professional manner in conformity with her investment objectives and pursuant to Claimant's instructions. Respondents further maintained that between 1981 through 1989 Claimant received trade confirmations and monthly statements detailing the activity in her accounts, the positions held, interest and dividends received, and margin

interest paid and did not complain of the activity in her account during this period.

#### DAMAGES AND RELIEF REQUESTED

Claimant alleged damages in her Statement of Claim of \$120,000, prejudgment interest at 10%, attorney's fees, and unspecified punitive damages.

Respondent Wedbush Morgan Securities, Inc requested dismissal of the claim in its entirety.

Respondents Gliksman Securities, Inc., Harry Gliksman, and Rosemary Shannon requested dismissal of the claim in its entirety and an award of reasonable attorneys' fees incurred in the defense of this claim.

#### PRE-HEARING CONFERENCE

On March 15, 1991 a pre-hearing conference was held pursuant to Section 32 of the Code of Arbitration Procedure via telephone conference call which lasted one (1) session.

#### DAMAGES AND RELIEF AWARDED

On April 23 and 24, 1991 and June 24 and 25, 1991 the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed by Claimant on March 16, 1990 and by Respondents Wedbush Morgan Securities, Inc. on June 15, 1990, Gliksman Securities Corp., Harry Gliksman, and Rosemary Shannon on July 10, 1990.

The hearing was conducted in Los Angeles, California and lasted eight (8) 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 as follows:

1. The motion of Wedbush Morgan Securities, Inc. to dismiss all claims is GRANTED.

2. Claimant is awarded Ninety-Two Thousand Dollars and Zero Cents (\$92,000.00) in damages and Forty-Two Thousand, One Hundred Eighty-Four Dollars and Zero Cents (\$42,184.00) in costs and attorneys' fees against Gliksman Securities, Corp., Rosemary Shannon, and Harry Gliksman, assessed jointly and severally. The award of attorneys' fees and costs is made pursuant to paragraph 9 of the Gliksman Customer Margin Account Agreement and California Civil Code Section 1717 which makes the unilateral attorney's fee provision reciprocal.

3. No punitive damages shall be awarded.

4. In accordance with Section 43 of the NASD Code of Arbitration Procedure, the NASD shall retain the \$750 filing fee previously deposited by the Claimant.

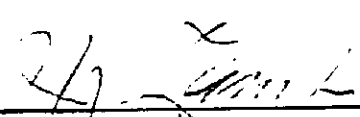
#### OTHER ISSUES

By notice of ruling dated April 16, 1991 the panel of arbitrators granted Wedbush Morgan's pre-hearing motion to sever. The arbitrators ruled that the claims against Wedbush Morgan Securities, Inc. and Rosemary Shannon would be tried separately from the claims against Gliksman Securities, Corp., Harry Gliksman, and Rosemary Shannon. At the arbitration hearing on April 23, 1991, upon further oral argument and authority, the arbitrators reversed their ruling on the motion to sever and determined that the arbitration would proceed against all respondents.

The parties stipulated to the execution and service of the award in counterpart copies.

#### ARBITRATORS CONCURRING

DATE SERVED: 07/15/91

  
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James N. Lamb