

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Otto Kahn, M.D.
Otto Kahn, M.D. Inc. Pension
Trust U/A Dated 9/30/82

vs.

90-01247

Name of Respondent(s)

Bateman Eichler, Hill Richards, Inc.
Monroe A. Kahn
James H. Burress

REPRESENTATION

For Claimants: Richard L. Solomon, Esq., Los Angeles, California

For Respondent: Craig B. Jorgensen, Esq., Kindel & Anderson, Los Angeles, California.

CASE INFORMATION

Statement of Claim filed: June 20, 1990.

Claimants' Submission Agreements signed: Otto Kahn, M.D. - March 16, 1990
Otto Kahn, M.D. Pension May 22, 1990

Joint Statement of Answer filed by Respondents: August 7, 1990

Respondents' Submission Agreement signed: Bateman Eichler - July 17, 1990
Monroe Kahn - July 10, 1990
James Burress - June 22, 1990

HEARING INFORMATION

Hearing Date/Sessions: Pre-Hearing Conference - December 9, 1991 - 1 session
Evidentiary Hearing - December 17, 1991 - 2 sessions
December 18, 1991 - 2 sessions
December 19, 1991 - 2 sessions
December 20, 1991 - 2 sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged breach of fiduciary duty, failure to supervise, effecting private securities transactions ("selling away"), recommendation and execution of unsuitable transactions, making loans to a client in violation of NASD and stock exchange rules, and fraud arising out of Claimants' investments in TIE Communications common stock, various real estate limited partnerships, and other securities.

Respondents denied all allegations, and asserted that losses in Claimants' accounts are attributable to Claimants' failure to meet margin calls during the October 1987 market crash.

RELIEF REQUESTED

Claimant requested damages of approximately \$1,000,000, plus rescission of all unsuitable transactions, return of commissions, margin interest and tax liability incurred, and punitive damages.

Respondents requested dismissal of all claims and an award of costs of arbitration.

AWARD

After considering the pleadings, the testimony and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. All claims brought by Claimants, including the claim for punitive damages, are dismissed.

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

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, Claimants and Respondents are jointly assessed forum fees of \$8,300, representing 8 sessions at \$1,000.00 each and 1 pre-hearing conference at \$300. The assessment of \$4,150.00 against Claimants is reduced by the \$1,000.00 fee previously deposited. All forum fees are payable to the NASD.

Fees are payable to the National Association of Securities Dealers, Inc.

ARBITRATION PANEL

Public/Industry

Public

Public

Industry

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DATE SERVED: 1/13/92

Nancy L. Cobb

Date of Decision:

January 2, 1992