

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

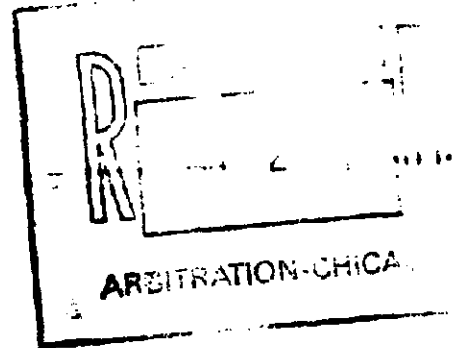
Name of Claimant(s)

Harry and Lenore Bloom

90-01479

Name of Respondent(s)

Michael H. Novick and M. H. Novick and Co.



CASE SUMMARY

In a claim filed with the NASD on or about May 25, 1990, Harry and Lenore Bloom (collectively "Claimants") alleged that Michael H. Novick and M. H. Novick and Co. (collectively "Respondents"): 1) made untrue statements and omitted to state material facts, and engaged in acts which operated as a fraud or deceit upon Claimants in connection with the purchase and sale of securities to the Claimants; 2) made unauthorized transactions in Claimants' account; 3) breached contract with the Claimants which stated that Respondents would only purchase and sell securities which had been specifically authorized in advance by Claimants and that Respondents would act only in the best interest of Claimants in connection with the account; 4) were unjustly enriched as a result of the conduct and transactions engaged in by Respondents; 5) breached their fiduciary duty to the Claimants; 6) engaged in common law fraud in their conduct with the Claimants; 7) engaged in the conversion of the Claimants' property; and, 8) were negligent and deviated from the standard of care in providing investment advice to Claimants and in handling Claimants' account.

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In an answer filed with the NASD on or about July 23, 1990, Respondents denied all claims of wrongdoing asserted by the Claimants including allegations of Respondents: 1) making unauthorized trades; and, 2) making false statements to the Claimants. Respondents asserted that: Claimants have failed to state a claim for relief; Claimants' claims are barred by the doctrines of ratification, estoppel, waiver, laches, unjust enrichment and failure to mitigate damages.

RELIEF REQUESTED

Claimants requested damages in excess of \$120,000.00; punitive damages; attorneys' fees; interest; and, costs.

AWARD

On December 13, 1990 in Minneapolis, Minnesota during a hearing lasting two (2) sessions, the undersigned arbitrators heard the controversy between the parties as set forth in submissions to arbitration signed on May 22, 1990 by Claimants Harry and Lenore Bloom.

The arbitration panel, having considered the pleadings, the testimony, and the evidence presented at the hearing, has decided in full and final resolution of the issues submitted for determination as follows:

1. The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the NASD, Inc.;

2. All requests for relief by Claimants Harry and Lenore Bloom are denied;

3. All requests for relief by Respondents are denied;

4. The parties shall each bear all costs and expenses incurred by them in connection with this proceeding; and

5. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as-forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimant.

Arbitrator(s) Signature

Dated: _____

/s/ _____
Peter W. Anson, Esq.

Dated: _____

/s/ _____
Allan A. Fonfara, CPA

Dated: 12/20/90

/s/ Edward C. Oliver
Edward C. Oliver

90-1479

5. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimant.

Arbitrator(s) Signature

Dated: _____

/S/ _____
Peter W. Anson, Esq.

Dated: 12/29/90

/S/ Allan E. Fonfara
Allan E. Fonfara, CPA

Dated: _____

/S/ _____
Edward C. Oliver

90-1479

5. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$750.00 filing fee previously deposited with the NASD by the Claimant.

Arbitrator(s) Signature

Dated:

12.19.90

/S/

Peter W. Anson
Peter W. Anson, Esq.

Dated:

/S/

Allan A. Fonfara, CPA

Dated:

/S/

Edward C. Oliver