

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

John C. and Joan Lewis

vs.

NASD #90-02241

Name of Respondents

Wedbush Morgan Securities
Gary Feldman
Joseph De Beauchamp

REPRESENTATION

For Claimants: M. Nelson Segel, Esq., Las Vegas, Nevada

For Respondents Wedbush Morgan Securities and Gary Feldman: Marie Eaton,
Wedbush Morgan Securities, Los Angeles, California.

For Respondent Joseph DeBeauchamp: James E. Rogers, Esq., Riddell, Williams,
Bullitt & Walkinsbaw, Seattle, Washington.

CASE INFORMATION

Statement of Claim filed: August 15, 1990

Claimants' Submission Agreement signed on: July 23, 1990

Joint Statement of Answer filed by Wedbush Morgan and Gary Feldman on:
November 23, 1990

Cross-claim against Joseph DeBeauchamp filed on: January 21, 1992

Statement of Answer filed by Joseph DeBeauchamp on: December 19, 1990.

Statement of Answer to Cross-claim filed by Joseph DeBeauchamp on: February
13, 1992.

Respondents' Submission Agreements signed as follows:

Wedbush Morgan Securities: November 16, 1990

Gary Feldman: November 21, 1990

Joseph DeBeauchamp: December 19, 1990

HEARING INFORMATION

Prehearing Conference(s) Dates(s) Sessions: None.

Hearing Date(s)/Sessions: February 20, 1992 (2 sessions)
February 21, 1992 (2 sessions)

Hearing Location: Las Vegas, Nevada

CASE SUMMARY

Claimants alleged lack of suitability, breach of fiduciary duty, fraud, failure to supervise, breach of contract and aiding and abetting with respect to investments in Danson Oil common stock and limited partnership interests in Bogert Oil, First Capital and PLM.

Respondents denied all allegations, and asserted that Claimants were suitable for the investments based on the representations they made concerning their financial situation.

Respondents Wedbush Morgan and Feldman cross-claimed for indemnity against Joseph DeBeauchamp.

RELIEF REQUESTED

Claimants requested damages of \$87,000.75, as amended at hearing, plus punitive damages, attorney's fees and costs of arbitration.

Respondents requested dismissal of all claims. Respondents Wedbush Morgan and Gary Feldman also requested indemnification from Respondent DeBeauchamp if they are found to be liable. Respondent DeBeauchamp requested dismissal of all claims and cross-claims.

OTHER ISSUES CONSIDERED & DECIDED

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.

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 asserted against Gary Feldman are dismissed in their entirety.

2. Respondent Wedbush Morgan Securities is liable for and shall pay to Claimants the sum of \$28,297.38, representing actual damages, plus the sum of \$23,503.62, representing interest, for a total award of \$51,801.00.

3. The claim for punitive damages is dismissed.

4. With respect to the cross-claim, Respondent Joseph DeBeauchamp is liable for and shall pay to Wedbush Morgan Securities the sum of \$17,267.00.

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

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the NASD shall refund the \$500 hearing session deposit previously deposited by the Claimants. Forum Fees are jointly and severally assessed against Respondents Wedbush Morgan Securities and Joseph DeBeauchamp as follows:

4 hearing sessions @ \$500/session = \$2,000.00
Wedbush Morgan is additionally assessed a \$500
non-refundable filing fee on its cross-claim.

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

ARBITRATION PANEL

<u>Name</u>	<u>Public/Industry</u>
Linda J. Garofola	Public
Kathryn J. Toronto	Public
Walter W. Klosterman	Industry

Concurring Arbitrators' Signature

Linda J. Garofola

Kathryn J. Toronto

Walter W. Klosterman

DATE SERVED: 03/16/92

Date of Decision: 2/21/92