

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
: Alberto Rotsztain :
: :
: Claimant :
: : CASE #90-02730
vs. : AWARD
: :
Ferris, Baker Watts, Inc. :
Victor Seested :
: :
Respondent :

CASE SUMMARY

Alberto Rotsztain represented by Ronald E. Lyons, Esq. of Hoffman, Apfel & Lyons, P.C., Rockville, Maryland, in a claim filed with the National Association of Securities Dealers, Inc. on October 2, 1990, alleged that Respondent as market makers in Mid-Atlantic Medical Services, Inc. ("MAMSI"), breached their fiduciary duty to him by: 1) failing to disclose pertinent and critical information regarding the value of health maintenance organizations in general and MAMSI in particular; 2) providing misleading information for MAMSI; and 3) withholding information which they knew was relevant in determining whether or not to sell to stock.

Respondents, Ferris, Baker Watts, Inc. and Victor Seested in a joint Statement of Answer by their counsel Theodore W. Urban, Esq., Washington, DC, maintained that the claim seeks to establish upon brokers an ability to foresee the future. They state the Claim is based upon false assumptions and supported by opinionated statements which have no basis in either legal or economic theory. Respondents continue that Mr. Seested had a reasonable basis to recommend the sale of MAMSI, that Claimant was aware of the reasonings and chose to accept it.

RELIEF REQUESTED

Claimant requests Ten Thousand Dollars (\$10,000) in damages.

Respondents requests dismissal of the Claim in its entirety.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Edgar T. Bellinger, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on September 24, 1990 and by the Respondents on April 22, 1991;

And, that the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. That the Respondents Ferris, Baker Watts, Inc. and Victor Seested are jointly and severally liable and shall pay to the Claimant Alberto Rotsztain the sum of Ten Thousand Dollars (\$10,000) plus interest at the rate of eight percent (8%) from the date of the award until payment.
2. The One Hundred Fifty Dollars (\$150) filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant shall be retained by the NASD, Inc.

AFFIRMATION

I, EDGAR T. BELLINGER, ESQ., do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.



Signature of Arbitrator

DATED: 10/7/91