

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Ivan Freistat

NASD Arbitration
No. 91-00500

Name of Respondent

Michael Milken

REPRESENTATION

For Claimant: John T. Heaney, Esq. - Los Angeles, California

For Respondent: Katherine M. Elwood, Esq. and Frank Rothman, Esq.,
Skadden, Arps, Slate, Meagher & Flom - Los Angeles,
California

CASE INFORMATION

Statement of Claim filed: February 14, 1991

Claimant's Submission Agreement signed: February 6, 1991

Statement of Answer filed by Respondent: May 13, 1991

Respondent's Submission Agreement signed, by Counsel: March 29, 1992

HEARING INFORMATION

Hearing Dates/Sessions: March 29, 1992 - Two Sessions
 March 30, 1992 - Two Sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimant, Ivan Freistat (Freistat), alleged that on December 16, 1983, Respondent, Michael Milken, sold Freistat 8,800 shares of American Continental stock which Freistat was unable to trade or negotiate or make any claim upon because the securities were, apparently, not registered in Claimant's name.

Freistat also alleged the same circumstances surrounding the purchase of 4,100 shares of stock in Integrated Resources, a purchase made on November 30, 1983.

Respondent, Michael Milken, alleged that said transaction were ineligible for arbitration under Section 15 of the NASD Code of Arbitration Procedure or under any applicable statutes of limitations in that the transactions occurred more than 6 years before the filing of Freistat's claim.

RELIEF REQUESTED

Claimant seeks damages in an amount according to proof but not less than \$440,000.00, punitive damages of not less than \$50,000,000.00, interest at the legal rate of 10% since December 16, 1983, legal costs and fees.

Respondent seeks dismissal of the claim in its entirety, costs and attorneys' fees.

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. After Claimant, Ivan Freistat, rested his case in chief, Respondent, Michael Milken moved to have the claim declared ineligible under Section 15 of the NASD Code of Arbitration Procedure and also dismissal under any applicable statutes of limitations. The panel, after deliberations, announced the granting of Respondents motion and all claims were dismissed.
2. The parties shall each bear their respective costs and fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed:

1. Claimant, Ivan Freistat, is assessed the sum of \$1,500.00 representing forum fees for one-half of the total fees \$6,000.00, less a previously deposited \$1,500.00.
2. Respondent, Michael Milken, is assessed the sum of \$3,000.00 (one-half of the total fees of \$6,000.00 - four hearing sessions at \$1,500.00 each)

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

ARBITRATORS

<u>Name</u>	<u>Public/Industry</u>
George Wiener, Esq.	Public Chairperson
Irving Michelman	Public Panelist
John P. McShane	Industry Panelist

Concurring Arbitrators' Signatures

George M. Wiener

Date of Decision: March 30, 1993

SERVED 5/18/1993