

## NATIONAL ASSOCIATION OF SECURITIES DEALERS

National Association of  
Securities Dealers, Inc.  
NASD Financial Center  
33 Whitehall Street  
New York, N.Y. 10004  
FAX (212) 858-4389

In the Matter of the Arbitration Between

Name of Claimants

Trans National Group Services, Inc.  
Steven Belkin

vs.

Case #  
91-00770

Name of Respondents

PaineWebber, Inc.  
Bruce Balter

REPRESENTATION

For Claimant, Trans National Group Services ("TNGS"), William F. Looney, Jr., Esq. and Susan F. Drogin, Esq. of Looney & Grossman.

For Claimant, Steven Belkin ("Belkin"), Michael A. Collora, Esq. of Dywer, Collora & Gertner.

For Respondents, PaineWebber Incorporated ("PaineWebber") and Bruce Balter ("Balter"), Joel E. Davidson, Esq. and Garry J. Stegeland, Esq., in-house counsels at PaineWebber, Inc.

CASE INFORMATION

Joint Statement of Claim filed on March 8, 1991

Claimant TNGS's, Submission Agreement signed on March 6, 1991.

Claimant Belkin's, Submission Agreement signed on March 6, 1991.

Joint Statement of Answer filed by Respondents on May 8, 1991.

Respondent PaineWebber's Submission Agreement signed on May 8, 1991.

Respondent Balter's Submission Agreement signed on May 31, 1991.

HEARING INFORMATION

Pre-Hearing Conferences with the Chairperson :

October 4, 1991	- One session
October 11, 1991	- One session
October 25, 1991	- One session
November 8, 1991	- One session
January 6, 1991	- One session
January 13, 1992	- One session.

TM 5 8 600

Hearing Dates/Hearing Sessions:

February 26, 1992	- Two sessions
February 27, 1992	- Two sessions
March 2, 1992	- Two sessions
March 3, 1992	- Two sessions
April 14, 1992	- Two sessions
April 15, 1992	- Two sessions
April 23, 1992	- Two sessions
April 24, 1992	- Two sessions
April 30, 1992	- Two sessions
May 1, 1992	- Two sessions
May 7, 1992	- Two sessions
May 20, 1992	- Two sessions
May 21, 1992	- Two sessions
May 22, 1992	- One session
May 28, 1992	- Two sessions
June 1, 1992	- Two sessions
June 2, 1992	- One session
June 9, 1992	- One session.

Hearing Location: NASD, Inc.  
260 Franklin Street  
Boston, Massachusetts 02110.

CASE SUMMARY

In their joint Statement of Claim, Claimants make a claim for losses in excess of \$15,000,000.00 incurred in October of 1989 as a result of alleged misrepresentations and omissions on the part of Respondents in connection with heavy trading in naked stock options, failure to properly supervise such trades, which were excessive in number and which exposed Claimants to millions of dollars of losses. Claimants allege that they committed themselves to an options trading program in reliance upon assurances by Respondents that the program, consisting of frequent sales of uncovered puts heavily concentrated in only a few highly volatile stocks during eight months in 1989, was reasonable, conservative, and being monitored by Respondent Bruce Balter. Claimants allege that the program was not reasonable or conservative, Balter did not monitor the accounts, and that PaineWebber, did not follow its own rules and various regulatory provisions in supervising the accounts of Claimants. As a result, Claimants allege that there were losses exceeding \$15,000,000.00 in those accounts.

Respondents deny each and every allegation of wrongdoing set forth in the Statement of Claim and any liability to Claimants for losses in their accounts. Respondents maintain that Claimants initiated the options trading strategy in question through their employee and agent, Joseph Tischler (Tischler), and that all risks associated with the program were disclosed to and should have been understood by Claimants. Respondents deny that they

undertook a duty to Claimants other than execution of securities and options trades directed by Claimants, and that Claimants are fully responsible for the losses which occurred in both accounts.

#### RELIEF REQUESTED

Claimants request an award of \$10,073,185.00 on behalf of TNGS, \$4,564,916.11 on behalf of Belkin, interest of various kinds, punitive damages, attorneys' fees and costs.

Respondents request that all claims asserted by Claimants be dismissed in all respects.

#### GENERAL DISCUSSION AND CHRONOLOGY

Belkin is a successful entrepreneur, a Harvard MBA, and founder, chairman and majority shareholder of TNGS. TNGS, in the travel and financial services business, is a successful corporation. Prior to opening his brokerage account at PaineWebber, Belkin had acquired a portfolio of stocks and bonds of significant value. He had also invested in real estate limited partnerships, tax shelters, a health club, an office furniture concern and had made an unsuccessful bid to purchase the Boston Celtics basketball franchise. He and TNGS had no material experience in stock options, but were willing to put money into an options writing program proposed in 1989 by Tischler, a five-year employee of TNGS. Tischler was not a registered investment advisor and did not manage money for others as a profession, but had traded in options for his own account. The options program was explained by Tischler as a means to achieve higher returns of income, through a more aggressive investment strategy, on liquid funds of Belkin and TNGS. Trading in stock options, including naked put writing, as proposed by Tischler, was and is recognized as, in some cases, a high risk and speculative investment strategy in the securities industry, various exchange and self-regulatory organization rules, PaineWebber's own sales practices policy manual and account opening and disclosure documents. Tischler, however, said he would only invest in puts and calls in highly liquid, solid companies with strike prices well below the market price, with diversification, hedging and occasionally in mergers and acquisition stocks where deals had been announced. The proposed options program was discussed among Belkin, Belkin's accountant, TNGS' employees and Balter, who handled Belkin's account at TNGS, but it is not clear how much the risks inherent in trading naked options on margin was discussed.

Balter, the individual Respondent, was one of the top brokers at PaineWebber, had been a member of the Chairman's Club for almost ten years, but had little experience in stock options. Balter was a neighbor of Belkin, had interacted with Belkin socially and had reviewed Belkin's investment portfolio in the past. In addition to asking Balter to speak to Tischler about the options program, Belkin also requested that Balter monitor,

generally, the performance of both the Belkin and TNGS options accounts. However, it was clear that Tischler and Earl Schwartz ("Schwartz"), a TNGS employee, were to have primary responsibility for managing the options program. Balter relied upon Tischler's stated expertise in writing options. A discount commission rate was worked out by the Claimants and Balter on behalf of PaineWebber. Belkin and TNGS made the decision to proceed with a trial options program proposed by Tischler and the trial program commenced in March, 1989.

By the beginning of October, 1989, the options program had earned over \$1,000,000 in income for the two accounts and PaineWebber had earned over \$200,000 in commissions from the trading in the two accounts. TNGS's account was opened in March, 1989 with Schwartz, as treasurer, the only duly authorized agent for the account, though Schwartz relied on Tischler for the day-to-day investment decisions. Belkin's account was opened in April, 1989 and both Tischler and Schwartz were appointed as duly authorized agents for the account. Neither PaineWebber, Balter nor Belkin looked into Tischler's background and experience in options trading, nor to any extent did Balter or PaineWebber look into the financial status of TNGS or Belkin, even though they knew that Belkin had no prior options experience and that Belkin would be relying upon Tischler, as would TNGS, for direction of the options program. This type of options program was recognized in Section 6.0 of the PaineWebber Sales Practices Policy Manual of January 1, 1989, as the highest risk level and for which the customer must have, among other things, prior options investment experience. Also Balter had agreed to watch the performance of the accounts for Belkin and TNGS.

Both accounts were margin accounts, option-trading accounts, with "speculation" indicated as the primary investment objective and "income" as the secondary objective of each account. Belkin was provided with an Options Risks Disclosure Statement, which he signed but did not read. He was provided with monthly statements by PaineWebber, copies of which were sent to his accountant. TNGS statements were sent to Schwartz. Although the account opening paperwork had some technical deficiencies and Belkin's account had no third-party authorization for Tischler and Schwartz until June, 1989, trading in both accounts did in fact occur in the manner intended by the parties during the early months of the program. Options trading in both accounts, supposedly on a test basis, started slowly but increased in May, 1989. In late May, 1989, the compliance department of PaineWebber noted that one of the accounts was "over-leveraged" and should "cut back on positions" and "get more assets" but neither PaineWebber nor Balter contacted Belkin directly with respect to this compliance review by PaineWebber. By the end of May, Belkin's account had about 1,644 short or naked put options outstanding in nine securities and TNGS had about 1,654 naked options in eleven securities. If all those short put options had been exercised, Belkin would have had to expend or finance about \$10,200,000 to purchase the stocks put to him against an equity in the account of \$2,800,000. For TNGS it would have been about \$10,600,000.00 against \$2,800,000.

In June, 1989, the naked puts written on 30,000 shares of Avon Products

in each account were exercised, and the two accounts were each required to purchase the 30,000 shares assigned to them. The strike price was \$40.00, so each account was required to expend \$1,200,000.00 to purchase the stock. The exercise occurred because the market price of the stock, at a time close to the expiration of the puts, was less than the strike price of \$40.00. The accounts ultimately suffered relatively small losses from the exercise, because the Avon stock was subsequently sold at a price only several points below the strike price. In any event, these exercises of puts, requiring that each account put up \$1,200,000.00 in cash, effectively put Claimants on notice of some of the risks in writing naked puts. At the same time, it evidenced to PaineWebber and Balter that in fact some of the risks inherent in writing naked puts were materializing in the accounts.

During June, July, August and September, the size of naked put orders, frequency of trades, and level of outstanding put exposure dramatically increased. At the same time, Balter, at the request of Schwartz and Tischler, sent arbitrage and other internal PaineWebber reports and information to TNGS. In addition, there were conversations between Balter and Belkin at a wedding in July and a dinner in September, during which the accounts were discussed generally. These conversations gave Belkin the impression that the accounts were doing very well.

Belkin contacted Balter in early August of 1989 to discuss Tischler's compensation proposal with respect to management of the options investment program, which included a request to share in the profits. Balter did research on the compensation custom in the industry and did report back to Belkin on customary investment management compensation. These discussions implied to both Belkin and Balter that management of an investment program by an agent who receives a share of the profits but who does not put up any capital can increase the risk involved in that trading program. Meanwhile, the program, as directed by Tischler and executed by PaineWebber, changed, so that the following characteristics, not present in the early months of the program, existed by the end of September of 1989:

- (a) The accounts were much more concentrated than at the end of May, 1989, mostly in options in airline stocks. Belkin's account had puts in only 3 stocks, and 509 out of 609 puts were in United Airlines (UAL). TNGS's account had puts in 5 securities, with 1,070 out of 1,320 puts also being in UAL.
- (b) The accounts had become a major source (almost 20%) of Balter's production.
- (c) The funds necessary to purchase all of the puts in the accounts, if exercises occurred, had risen from approximately \$10,000,000 for each account to \$31,000,000 for TNGS and \$14,500,000 for Belkin.
- (d) The accounts held the largest number of naked puts in UAL for the entire northeast region of PaineWebber. The compliance report from May of 1989 and the evidence in this case indicate that PaineWebber

had the required options compliance personnel, frequent computer runs and other data which either did or should have brought the concentration and size of put exposure in these accounts to the attention of PaineWebber management. Of course, Balter had notice, as an agent of PaineWebber, because he executed trades for the accounts.

- (e) The naked puts in UAL, in an announced, but potentially hostile, takeover deal represented very speculative activity because the puts were sold at strike prices in the 230 to 280 range, significantly above the pre-deal publicity price of UAL, which had been in the 130 range.
- (f) There was virtually no hedging in the accounts.
- (g) The accounts were being handled by an agent who was entitled to a share of the profits.
- (h) The usual PaineWebber practice of prior approval of trades of 100 or more uncovered options by a branch office manager had been waived by the junior manager only.

At the same time, Belkin, Belkin's accountant, Schwartz, and Tischler were receiving confirmations and other reports from PaineWebber as to activity in the accounts, and Schwartz and Tischler were monitoring the accounts. Monthly investment meetings were being held with reports on outstanding positions generated by Schwartz and Tischler. However, notwithstanding the undertaking by Balter to watch the performance of the accounts and the other factors mentioned above, no one from PaineWebber called Belkin, either with respect to his own account or in his capacity as Chairman of TNGS, to discuss the risk in both accounts generated by activity in UAL. There is no way of knowing what action, if any, Belkin and TNGS would have taken, had there been either written or oral communications which fully disclosed the high risk of naked options positions, the potential for enormous losses, and possible additional margin calls (requiring very short lead times to produce large infusions of cash into the accounts). Nevertheless, PaineWebber did nothing either to discourage the high volume and number of trades in UAL or to check with Belkin to be certain that his objectives were in agreement with the very high degree of risk that had arisen in each account. Exchange and self-regulatory organization rules and PaineWebber internal policies, taken together with the assurances of Balter that he would watch the accounts and PaineWebber's capability to keep track of transactions in the accounts, indicate a duty to review specifically with Belkin and TNGS their desire to continue with what had become extremely large positions and risky options strategy having the potential for large losses.

In early October, 1989, a PaineWebber internal activity review directed that a letter be sent to Belkin and/or TNGS. No such letter was sent. On October 13, 1989, the Dow Jones Industrial index of the New York Stock

Exchange fell approximately 190 points, largely based on news that the UAL takeover deal might not go through, and trading was suspended in UAL shares until Monday, October 16, 1989 at 11:00 a.m. When trading recommenced, UAL had dropped from its high of 279 3/4 to 230. On Monday, October 16, 1989, the UAL stock closed at 222 7/8. On that Monday, Belkin, alerted to the sharp decline, called a meeting of his corporate team to consider possible courses of action open to TNGS and the Belkin personal account. Balter passed along PaineWebber's advice that the UAL deal still had a good chance of going through, but that it might take some time to finalize. There was no express conversation between Balter and Belkin about the possibility of Belkin and TNGS closing out their accounts on the outstanding UAL put options, which would have capped the losses in both accounts at about \$6.7 million. However, PaineWebber's top management, because of the drop in the price of the UAL stock, finally paid express attention to the accounts and exercised a margin call, requiring Belkin and TNGS to come up with additional capital in the multi-million dollar range for the accounts. Belkin and TNGS made the decision to honor the margin calls, and they were met on late Tuesday, October 17, 1989. Although the losses could have been capped on October 16, 1989, by closing out the UAL puts for a \$6.7 million loss, the realistic exposure for loss in both accounts at the time of the market crash was actually about \$23,000,000, represented by the 1779 outstanding UAL puts in both accounts times roughly 130 (the difference between the average strike price of 260 and estimated worse case market for UAL, which prior to the announced takeover deal had traded around 130). On Tuesday, October 17, 1989, UAL hit a high of 212, but closed at 190. Belkin continued to solicit PaineWebber's advice through Balter, but had basically taken over management of the accounts and the decision-making process. On Wednesday, October 18, 1989, UAL reached a high of 200, but closed at 191 3/4. PaineWebber closed the account for any new positions but allowed a roll-forward strategy as proposed by Tischler, and, after discussion, implemented, which involved replacing some of the short UAL put positions expiring in October and November with similar positions expiring in February of 1990. In addition, Belkin and his advisors, including Mr. Weidlein, discussed participation in the UAL deal, on the assumption that the purchase of 177,900 shares, if all puts were exercised, would be a substantial enough position to become involved in the takeover. On Wednesday, October 18, 1989 and Thursday, October 19, 1989 the price remained in the low 190's and Belkin, in addition to seeking the advice of PaineWebber and his own corporate team, sought other outside advice. An additional margin call was honored on Thursday, October 19, 1989. PaineWebber continued to advise that there was a good chance that the deal would go through, but the Wall Street Journal and other outside sources consulted by Belkin and his advisors raised doubts about the viability of the deal at any price. On Friday, October 20, 1989, UAL reached a low of 165 and Belkin decided that he and TNGS could not take further risk of price decline. The accounts were basically closed out and the TNGS lost \$9.8 million from trading in UAL stock options and \$1.4 million from trading in American Airlines stock and options. Belkin lost \$5.1 million from trading in UAL stocks and options and \$550,000 from trading in American Airlines options. Belkin and TNGS commenced this arbitration proceeding in 1990. During the arbitration proceeding, Claimants attempted to prove that

Belkin and TNGS were not suitable for the options trading program, that PaineWebber failed to supervise the accounts and that the losses incurred were due to the negligence of Balter and PaineWebber. The Respondents sought to prove, in effect, that Claimants were highly sophisticated investors, that they had interposed Tischler, an investment professional, as their duly authorized agent, and that PaineWebber acted as nothing more than an order taker and, accordingly, owed no duty to determine suitability and only a very limited duty of supervision over the accounts. Each of the parties submitted pre-hearing and post-hearing briefs and documentary evidence during the 18 days of arbitration hearings.

The arbitrators commend all of the parties and their respective counsel for their thorough and excellent presentations in a very complex and difficult case.

#### OTHER ISSUES AND SUBSTANTIVE MOTIONS CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies. The parties have also agreed to receive conformed copies of the Award while the originals remain on file with the NASD.

During the course of the hearings, Respondents made a Motion for Summary Judgment, with attached exhibits, as well as an oral Motion for Directed Verdict, in opposition to which Claimants submitted a brief. After argument and deliberation, the Arbitrators denied both motions.

#### CONCLUSIONS AND RATIONALE

1. Belkin was a sophisticated investor with an educational background, personal assets, and business experience compatible with an options trading program.
2. TNGS, with an investment division and significant corporate staff, also had finances compatible with an options writing program.
3. Claimants were thus, in fact and for all intents and purposes, suitable investors for the risky options trading program originally proposed by Claimants' agent, Tischler, taking into account all of the circumstances, including Claimants' investment objective of an aggressive strategy to earn higher returns of income on liquid assets.
4. Claimants understood, or had sufficient information and ability to understand, the nature and risk of the options trading program, as well as margin arrangements and requirements.
5. The options trading program was not recommended by PaineWebber or Balter. PaineWebber's basic undertaking was to execute orders for the



program.

6. The third party agents authorized to act for Claimants were Claimants' employees, selected by Claimants. They were not recommended by PaineWebber or Balter. However, Belkin did seek advice from Balter regarding the program proposed by his and TNGS's agent Tischler, and neither PaineWebber, Balter nor Belkin looked into Tischler's background or experience. Nevertheless, Tischler was the duly authorized agent of Belkin to trade in options for Belkin's account and was a corporate employee duly authorized to make investment decisions for the TNGS account. Tischler failed to follow guidelines he and Belkin had agreed upon for keeping the accounts hedged and diversified. Tischler, as an agent of Belkin and TNGS, inadvisedly, negligently, and recklessly concentrated both accounts in naked UAL puts.
7. Balter, not individually but as an agent of PaineWebber, based on conversations with Belkin, undertook a duty to monitor generally the performance of both accounts. Balter and Belkin were neighbors, had past social and business involvement and Belkin had asked Balter to talk with Tischler about the program. Although Balter explained that he did not have much prior options experience, Balter's undertaking to monitor the accounts was not unreasonably relied upon by Belkin, in light of Balter's employment as a senior broker of PaineWebber, a full service firm. In that context, this undertaking established a relationship of trust and confidence between the Claimants and Balter, beyond the usual broker-customer relationship. Balter, in undertaking this trust or fiduciary duty, as an employee of PaineWebber, had authority to do so, and, as a result, this duty was a duty to Claimants by PaineWebber, as well as by Balter.
8. Belkin and TNGS, individually and through agents, made the final decision to institute the options program, and the agents of Belkin and TNGS made the decisions to change the options writing program with a put writing concentration which exposed the Claimants to significant losses. Therefore, Belkin and TNGS share a major responsibility for the losses suffered by them. Nevertheless, PaineWebber breached the duty described above by its failure to supervise properly both accounts when the program changed in the summer of 1989, which breach also contributed to the losses suffered by TNGS and Belkin. This is so even though the failure to supervise might not normally constitute an independent cause of action. The supervision spelled out in self-regulatory organization rules, exchange rules, and PaineWebber internal policies for options accounts was exactly what Belkin and TNGS has reason to expect would be exercised for both accounts. Had that supervision been exercised in the summer of 1989, it is reasonable to expect that there would have been direct contact with Belkin, individually and as chief executive of TNGS, by PaineWebber to determine whether Claimants' respective investment objectives had changed, and whether they approved of the course of trading and the concentrations which had accumulated in their accounts.

9. Because of the circumstances of the case and the corporate team which had responsibility for the financial affairs of TNGS, the duty owed by Balter and PaineWebber to Belkin, as an individual, was a higher duty than that owed to TNGS, the corporation. However, a duty was owed, under the circumstances, to both Claimants.
10. Although the duty described above was breached by PaineWebber and by Balter as an employee of PaineWebber, Balter at all times acted in good faith, and while certain failures to act on his part contributed to the breach of duty, his conduct did not constitute misrepresentation or fraud. The account supervision duty in this case was not met at higher management levels within PaineWebber, i.e., Registered Options Principals, compliance, credit and office management.
11. In light of the relationship of trust set forth above, the normal reliance which a broker-dealer may have on the authority of a customer's designated agent is not fully applicable in this case.
12. Tischler, by his actions, bears a significant responsibility for the losses in both accounts, and that responsibility has been taken into account by the arbitrators in assessing damages in this case.
13. Belkin, on behalf of himself and TNGS, at some point on Monday, October 16, 1989, during or after the close of the market, either was fully apprised of the potential losses in both accounts and/or had sufficient information and resources to know the size of those potential losses, as well as the actual losses which had already occurred in the accounts. Although Belkin sought Balter and PaineWebber's advice, Belkin and his corporate investment team took over management and decision-making for both accounts, relieved Tischler and Schwartz of their decision-making authority, and made all of the final decisions on activity in the accounts from October 16, 1989 forward. Although PaineWebber could perhaps have elaborated in more detail on the risks and courses of action available to Belkin and TNGS from October 16, 1989 forward, Claimants had the basic information and resources needed to make decisions, and, in fact, undertook to make those decisions without trying to turn the accounts into discretionary accounts to be managed by PaineWebber.
14. The Arbitrators have taken into account all of the evidence, submissions, and arguments of all of the parties in making this decision and award.

**AWARD**

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

1. Respondent, PaineWebber, Inc., is hereby liable to Trans National Group Services, Inc., in the amount of **ONE MILLION DOLLARS AND ZERO CENT (\$1,000,000.00)**;
2. Respondent, PaineWebber, Inc., is further liable to Trans National Group Services, Inc. for interest at a rate of twelve percent (12%) per annum from the date of this Award to the date of payment;
3. Respondent, PaineWebber, Inc., is hereby liable to Steven Belkin, in the amount of **ONE MILLION DOLLARS AND ZERO CENT (\$1,000,000.00)**;
4. Respondent, PaineWebber, Inc., is further liable to Steven Belkin for interest at a rate of twelve percent (12%) per annum from the date of this Award to the date of payment;
5. All claims against Respondent, Bruce Balter, are dismissed;
6. All claims for punitive damages are denied;
7. All claims for attorneys' fees are denied;
8. All claims for costs are denied.

#### FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, the following Forum Fees are assessed.

1. Claimants are assessed a non-refundable filing fee of \$300.00;
2. Forum fees in the amount of \$51,300.00 for six pre-hearing conferences at \$300.00 per session ( $\$300.00 \times 6 = \$1,800.00$ ) and thirty-three hearing sessions at \$1,500.00 per session ( $\$1,500.00 \times 33 = \$49,500.00$ ) are assessed and shall be borne by the parties as outlined below;
  - a. Claimant, TNGS, is assessed \$12,825.00 in forum fees;
  - b. Claimant, Belkin, is assessed \$12,825.00 in forum fees;
  - c. Respondent, PaineWebber, is assessed \$25,650.00 in forum fees.
3. Claimants deposited \$1,800.00 and shall receive a credit for that amount;
4. The hearings in this matter were initially scheduled to commence on October 17, 1991 and the parties requested that they be postponed. The panel granted the request and assessed a fee of \$1,500.00 which was to be borne equally by the parties. The parties, again, requested that the hearings scheduled to commence on January 7, 1992 be postponed. The panel granted


this second request and assessed another \$1,500.00 which was to be borne equally by the parties. Claimants paid only \$750.00 and had a balance of \$750.00. Respondents did not pay their portion of the fees, \$1,500.00. Therefore, the parties shall remit the outstanding postponement fees in addition to the forum fees assessed and outlined in the paragraphs above to the NASD. C

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

ARBITRATION PANEL

David Plimpton, Esq.	-	Chairperson/Public
S. Lawrence Gwin, Jr., Esq.	-	Public
James E. Fox	-	Industry

Concurring Arbitrator's Signature

  
S. Lawrence Gwin, Jr., Esq.

Date of Decision: June 30, 1992

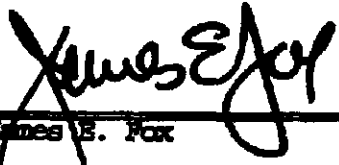
this second request and assessed another \$1,500.00 which was to be borne equally by the parties. Claimants paid only \$750.00 and has a balance of \$750.00. Respondents did not pay their portion of the fees, \$1,500.00. Therefore, the parties shall remit the outstanding postponement fees in addition to the forum fees assessed and outlined in the paragraphs above to the NASD.

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

ARBITRATION PANEL

David Plimpton, Esq.	-	Chairperson/Public
S. Lawrence Gwin, Jr., Esq.	-	Public
James E. Fox	-	Industry

Concurring Arbitrator's Signature

  
\_\_\_\_\_  
James E. Fox

Date of Decision: June 30, 1992

this second request and assessed another \$1,500.00 which was to be borne equally by the parties. Claimants paid only \$750.00 and has a balance of \$750.00. Respondents did not pay their portion of the fees, \$1,500.00. Therefore, the parties shall remit the outstanding postponement fees in addition to the forum fees assessed and outlined in the paragraphs above to the NASD.

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

ARBITRATION PANEL

David Plimpton, Esq.	-	Chairperson/Public
S. Lawrence Gwin, Jr., Esq.	-	Public
James E. Fox	-	Industry

Concurring Arbitrator's Signature

  
David Plimpton, Esq.

Date of Decision: June 30, 1992