



N.A.S.D. AWARD

Arbitration

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 Claimant

Elaine Reeder

91-01095

Name of Respondents

First Interregional Equity Corporation
Lawrence J. Doherty

REPRESENTATION

For Claimant Elaine Reeder ("Claimant"): Ruth S. Baker-Battist, Esq.,
Attorney at Law.

For Respondent First Interregional Equity Corporation ("FIEC"): Andrew M.
Heath, III, Esq. of First International Equity Corporation.

For Respondent Lawrence J. Doherty ("Doherty"): George V. Cornell, III, Esq.
Attorney at Law.

CASE INFORMATION

Statement of Claim filed: April 9, 1991.

Claimant Elaine Reeder's Submission Agreement signed on: April 3, 1991.

Joint Statement of Answer filed by Respondents, First Interregional Equity
Corporation and Lawrence J. Doherty ("Respondents") on June 17, 1991.

Respondent, First Interregional Equity Corp's Submission Agreement signed on:
May 28, 1991.

Respondent, Lawrence Doherty's Submission Agreement signed on: May 28, 1991.

Statement of Cross claim filed by Respondent FIEC on: December 13, 1991.

Respondent Doherty's Answer to the Cross claim filed January 15, 1992.

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HEARING INFORMATION

Hearing Dates/Sessions: December 3, 1991 - two sessions
April 6, 1992 - two sessions

Hearing Location: NASD, Inc., Washington, D.C.

CASE SUMMARY

Claimant alleged that Respondent Doherty during the period from July 1989 through March 1990 engaged in the unauthorized sale and purchase of securities and failed to follow Claimant's instruction to purchase securities. The alleged securities that the Respondents purchased and sold without authority include the sale of Borden Chemicals and Plastics, LP Depository Preferred Units and Schlumberger Securities. Claimant further alleged unauthorized purchases of GSA, Inc. and Southnet Corp. and failure to purchase Alpha 1 Biomedical as directed by the Claimant.

Respondents maintained that at no point in any of the dealings that Claimant had with Respondent Doherty did any trade or sale occur which was not specifically authorized by the Claimant. Respondents further maintained that all instructions given by Claimant were promptly executed by the Respondents.

On or about December 13, 1991, Respondent FTBC filed a cross claim against Respondent Doherty which alleged that, in case liability was found against the named Respondents by the arbitration panel, the panel should apportion fault between the two Respondents such that any Respondent who pays the Claimant monies as a result of the arbitration award would have a valid award against the non-paying Respondent for its share.

On or about January 15, 1992, Respondent Doherty filed his answer to FTBC's Cross claim which maintained that the Cross claim should not be considered by the panel because Mr. Doherty was not given notice of any claim prior to the arbitration hearing. Respondent further maintained that the Cross claim was vague and ambiguous. Respondent was also permitted to reply at the hearing and denied all allegations asserted by FTBC in their Cross claim.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$48,0000.00 plus interest and attorneys fees. Claimant also requested that the Respondents be censured for their conduct and that the panel award any other equitable relief it may deem appropriate.

Respondents requested Claimant's claim be dismissed in its entirety.

Respondent FIEC requested that in the event that the arbitration panel finds liability against Respondents that the panel apportion damages and that the Cross claim against Doherty be awarded against Doherty and in FIEC favor.

Respondent Doherty requested that the panel not accept FIEC's cross claim and at the hearing requested that all claims against Doherty be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies. The panel considered and determined that FIEC Cross Claim would be accepted as well as any and all defenses to the Cross Claim maintained by Doherty.

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. Claimant's claims against Respondent Doherty are denied in their entirety.
2. Claimant's claims against Respondent FIEC are denied and dismissed except to the extent provided by the December 17, 1991 settlement agreement between Claimant and Respondent FIEC.
3. Respondent FIEC's Cross claim against Respondent Doherty is denied in its entirety.

FORUM FEES

Pursuant to Section 43(c) of the Code of Arbitration Procedure, forum fees are assessed for the 4 hearing sessions held at \$400 per session = \$1600

Forum fees in the amount of \$800 for the hearing conducted on December 3, 1991 consisting of two sessions shall be assessed equally against Reader and FIEC, however, the panel noted that the forum fees for the December 3rd hearing are subject to Claimant and Respondent FIEC's agreement for FIEC to assume the Claimant's cost for fees. The \$800 in forum fees for the December 3rd hearing will therefore be borne by FIEC.

Forum fees in the amount of \$800 for the hearing conducted on April 6, 1992 consisting of two sessions are equally assessed against FIEC and Doherty. So that the total forum fee assessment against FIEC is \$1200 and the total forum fee assessment against Doherty is \$400.

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

Concurring Arbitrator's Signature
Name

Stephen F. Crable
Stephen F. Crable, Esq.

Public/Industry

Public Arbitrator

Executed on:

Date of Decision:

April 27, 1992


Date of Decision: May 7, 1992

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

Concurring Arbitrator's Signature

Name


Marshall Passman

Public/Industry

Public Arbitration

Executed on:

~~Date of Decision:~~

4/6/92

Date of Decision: May 7, 1992

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

Concurring Arbitrator's Signature
Name

Public/Industry

Bryon P. Fusini
Bryon P. Fusini

Industry Arbitrator

Executed on:
~~Date of Decision:~~

27 April 1992

Date of Decision: May 7, 1992