

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration between

Name of Claimant(s)

Jack & Naomi Cohen

vs.

91-01207

Name of Respondent(s)

Kennedy, Cabot & Company  
Marie O'Mahoney

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REPRESENTATION

For Claimants: Ricki C. Ring, Esq., Los Angeles, California.

For Respondents: George Kupper, Esq., Kennedy, Cabot & Company, Beverly Hills, California.

CASE INFORMATION

Statement of Claim filed: April 16, 1991

Claimants' Submission Agreements signed: Jack Cohen - April 9, 1991  
Naomi Cohen - April 8, 1991

Joint Statement of Answer filed by Respondents: July 26, 1991

Respondents' Submission Agreement signed: July 25, 1991

HEARING INFORMATION

Hearing Date/Sessions: December 5, 1991 - 2 sessions

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged breach of fiduciary duty, fraud, and recommending the purchase of bonds which were not suitable given Claimants' financial situation and investment objectives.

Respondents denied all allegations, and asserted that Claimants were experienced, sophisticated investors who had made similar investments in the past.

RELIEF REQUESTED

Claimants requested damages of \$52,583.31 plus interest and punitive damages.

Respondents requested dismissal of all claims.

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 Marie O'Mahoney are dismissed.
2. Claimants shall tender the Bally's Grand, Inc. bonds to Kennedy, Cabot & Company.
3. Kennedy, Cabot & Company is liable for, and shall pay to Claimants in exchange for the bonds, the sum of \$34,791.65. This sum represents the current value of the bonds (\$17,000) and approximately one-half the difference between the original bond purchase price and their current value (\$52,583.31 less \$17,000 = \$34,791.65).
4. The claim for punitive damages is dismissed.
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 retain the \$500 hearing session fee previously deposited by Claimants. In addition, Respondent Kennedy, Cabot is assessed forum fees of \$500.

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

ARBITRATION PANEL

Public/Industry  
Public  
Public  
Industry

:'s Signatures

Luke R. Murray

DATE SERVED: 01/09/92