

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between :
: Robert & Francine Bernstein :
Philip Schneider :
: ~~CASE #91-01274~~ :
: ~~AWARD~~ :
: Claimants : CONSOLIDATED
: WITH
vs. :
: CASE #91-01525
: AWARD
Century Financial Securities, Inc. :
: Respondent :

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on May 1, 1991, Claimants, Robert & Francine Bernstein, through their counsel, Jeffrey A. Thurnau, Esq., Denver, CO, alleged that Respondent, Century Financial Securities, Inc., through its representative, Scott Sengelman, executed the purchase of 10,000 shares of Lightfoot Enterprises, Inc. without their authorization or consent and that in order to finance this purchase, the Respondent sold without authorization 1,000 shares of Welcome PLC. The Claimants further alleged that their attempts to have the trades rescinded proved to be unsuccessful, and that the stock, which they hold, is virtually worthless.

In a claim filed with the National Association of Securities Dealers, Inc. on May 16, 1991, Claimant, Philip Schneider, through his counsel, Jeffrey A. Thurnau, Esq., of Denver, CO alleged that Respondent, Century Financial Securities, Inc., through its representative, Scott Sengelman sold, without authorization, 73,000 shares of Vector Aeromotive Corporation stock held by the Claimant in order to purchase 10,700 shares of Lightfoot Enterprises, Inc. stock, also without the Claimant's knowledge or approval. The Claimant also alleged that although the Respondent promised to cancel the trades, it failed to do so, causing a loss to the Claimant.

Respondent, Century Financial Securities, Inc., in an answer to Robert & Francine Bernstein's and Philip Schneider's claims, maintained that the Claimants have fabricated these complaints under the supervision of Gene Rutkowski, formerly of Century

Financial Securities, Inc., to discredit it's good name, and that the Claimants are trying to recover losses for trades that were authorized by them, which have since declined in value. Respondent, Century Financial Securities, Inc. also maintained that it never indicated to Claimant, Philip Schneider that the trades would be reversed, and that Claimant, Philip Schneider owned a position in Lightfoot Enterprises, Inc. prior to purchasing the additional shares he claimed were unauthorized. Respondent, Century Financial Securities, Inc. contended that the Claimants have acted together along with their counsel and former Century Financial Securities, Inc. representative, Gene Rutkowski, in order to violate Federal Bankruptcy Laws, and therefore the Respondent should not be held liable in these actions.

RELIEF REQUESTED

Claimants, Robert & Francine Bernstein requested \$10,000.00 in actual damages, plus interest and attorney's fees.

Claimant, Philip Schneider requested \$10,000.00 in actual damages, plus interest and attorney's fees.

Respondent, Century Financial Services, Inc. requested the claims of the Claimants be dismissed.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Steve A. Miller, Esq., was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants, Robert & Francine Bernstein on March 28, 1991 and by the Claimant, Philip Schneider on April 29, 1991 and not by the Respondent, Century Financial Securities, Inc. as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

And, 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. Respondent, Century Financial Securities, Inc. is liable and shall pay to Claimants, Robert & Francine Bernstein \$10,000.00 in actual damages, plus interest at the rate of 8% compounded annually from November 28, 1989 to the date of payment of the award.

2. Respondent, Century Financial Securities, Inc. is liable and shall pay to Claimant, Philip Schneider \$10,000.00 in actual damages, plus interest at the rate of 8% compounded annually from November 20, 1989 to the date of payment of the award.
3. Respondent, Century Financial Securities, Inc. is liable and shall pay to Claimants, Robert & Francine Bernstein \$2,065.00 representing attorney's fees, and shall pay to Claimant, Philip Schneider \$1,693.00 representing attorney's fees, pursuant to Colorado law.
4. The \$150.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimants, Robert & Francine Bernstein and the \$150.00 filing fee deposited with the National Association of Securities, Inc. by the Claimant, Philip Schneider shall be retained by the NASD, Inc. Respondent, Century Financial Securities, Inc. shall pay \$150.00 to Robert & Francine Bernstein and \$150.00 to Philip Schneider as reimbursement of the filing fees.

AFFIRMATION

I, STEVE A. MILLER, 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

DATE OF DECISION: July 27, 1992