

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Hedvig Ericak

vs.

NASD #91-2398

Name of Respondents

Whale Securities Company
Craig Blitz

REPRESENTATION

For Claimant: Reed H. Bement, Esq.

For Respondents: John P. Bevilacqua, Esq.

CASE INFORMATION

Statement of Claim filed: August 5, 1991

Claimant's Submission Agreement signed: July 16, 1991

Joint Statement of Answer filed by Respondents on: September 4, 1991

Respondents' Submission Agreements signed:

Whale Securities: November 12, 1991

Craig Blitz: September 20, 1991

HEARING INFORMATION

Hearing Date/ Sessions: April 29, 1992 (three sessions)

Hearing Location: San Francisco, California

CASE SUMMARY

Claimant alleged unauthorized execution, violations of National Association of Securities Dealers, Inc. Sections 1,3,4,5,18 and 27 of Article III of the Rules of Fair Practice, breach of fiduciary duty and negligence in the sale of Imatron.

Respondents denied all substantive allegations of the Statement of Claim and alleged that all trades were authorized and ratified and the claims were barred by the doctrines of estoppel and waiver.

RELIEF REQUESTED

Claimant requested:

1. Compensatory damages of \$240,000;
2. Interest at the rate of 10% per annum from April 1, 1991;
3. Punitive damages of \$200,000; and
4. Attorney's 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. Respondents are jointly and severally liable for and shall pay claimant the sum of \$165,000.;
2. The claim for punitive damages is dismissed.
3. The parties shall each bear their respective costs including attorneys' fees.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The National Association of Securities Dealers, Inc. shall refund the \$750 hearing session deposit previously deposited by the claimant. Forum fees assessed against:

Respondents jointly and severally, for the amount of \$2,250.00.
calculated as follows: Three hearing sessions times \$750/hearing session.

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

ARBITRATION PANEL

Public/Industry

Public Arbitrator

Public Arbitrator

Industry Arbitrator

Signature

Marcus Eugene Gracia

DATE SERVED: 07/07/92

Bertram H. Shaugnessy
Bertram H. Shaugnessy

Date of Decision: _____