

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

Prakash C. Varshney
Saral Varshney
Prakash C. Varshney, Custodian - Anshul Varshney

vs.

91-03057

Name of Respondent(s)

Network One Financial Securities, Inc.
William Hunt
Harold Smith

REPRESENTATION

For Claimants: Prakash C. Varshney, Fountain Valley, California

For Respondents Network One Financial Securities, Inc. and William Hunt:
John B.M. Frohling, Esq., Frohling & Hanley, P.C., Newark, New Jersey

For Respondent Harold Smith: No appearance by Harold Smith

CASE INFORMATION

Statement of Claim filed: October 1, 1991

Claimants' Submission Agreements signed as follows:

Prakash C. Varshney: November 21, 1991

Saral Varshney: November 21, 1991

Prakash C. Varshney, Custodian - Anshul Varshney: September 24, 1991

Statement of Answer filed by Respondent Network One Financial Securities, Inc.: March 2, 1992

Respondent Network One Financial Securities, Inc.'s Submission Agreement signed on: February 28, 1992

Statement of Answer filed by Respondent William Hunt: March 9, 1992

Respondent William Hunt's Submission Agreement signed on: March 5, 1992

Respondent Harold Smith did not file a Statement of Answer and a Submission Agreement.

HEARING INFORMATION

Prehearing Conference(s) Date(s) Sessions: None

Hearing Date/Sessions: September 24, 1992 (two sessions)

Hearing Location: Los Angeles, California

CASE SUMMARY

Claimants alleged that Respondents are illegally holding sale proceeds of stocks with respect to investments in Pacific Energy and Mining Corporation stock.

Respondent Network One Financial Securities, Inc. denied Claimants' allegation, asserted that it has done nothing improper with respect to Claimants' account and requested that all parties charged be dropped from Claimants' complaint.

Respondent William Hunt alleged that he did not open Claimants' account and did not execute any trades on behalf of Claimants and requested that he be released from this arbitration.

RELIEF REQUESTED

Claimant requested \$2,496.00 plus interest at 12% per annum from May 23, 1989 until date of payment.

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 National Association of Securities Dealers, Inc. (NASD).

AWARD

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

1. Respondent Harold Smith is dismissed, without prejudice, as a party in this case pursuant to Section 16 of the Code of Arbitration Procedure.

2. Respondents Network One Financial Securities, Inc. and William Hunt are jointly and severally liable for and shall pay to Claimants the sum of \$504.00 plus interest at 10% per annum from June 2, 1989 until payment of Award.

3. Respondents Network One Financial Securities, Inc. and William Hunt are jointly and severally liable for and shall pay to Claimants the sum of \$50.00 as reimbursement for Claimants' filing fee and hearing session deposit.

4. The parties shall each bear their respective costs including attorney's fees.

OTHER COSTS

None.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following forum fees are assessed: The NASD shall retain the \$25.00 hearing session deposit previously deposited by the Claimants. Forum fees assessed against:

Respondents Network One Financial Securities, Inc. and William Hunt, jointly and severally, in the amount of \$25.00, calculated as follows: Two hearing sessions times \$25.00/session minus the \$25.00 retained by the NASD.

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

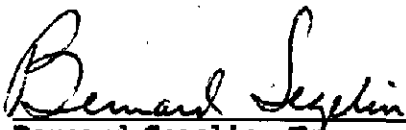
ARBITRATION PANEL

Name

Public/Industry

Bernard Segelin, Esq.

Public Arbitrator


Bernard Segelin, Esq.

Date of Decision: 9/24/92

Date Served: 11/11/92