

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)

David Fadell

vs.

91-03234

Name of Respondent(s)

Cruttenden & Company, Inc.  
Frederick Lacy

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REPRESENTATION

For Claimant: Mitchell C. Green, Esq., Los Angeles, California

For Respondent Cruttenden & Company, Inc.: John R. Loftus, Esq., Keesal,  
Young & Logan, Long Beach, California

For Respondent Frederick Lacy: Frederick Lacy, Newport Beach, California

CASE INFORMATION

Statement of Claim filed: October 16, 1991

Claimant's Submission Agreement signed on: October 8, 1991

Statement of Answer filed by Respondent Cruttenden & Company, Inc.: January  
3, 1992

Respondent Cruttenden & Company, Inc.'s Submission Agreement signed on:  
December 20, 1991

Respondent Frederick Lacy did not file a Statement of Answer and Submission  
Agreement. However, he was duly served and appeared at the hearing and is  
subject to National Association of Securities Dealers, Inc. (NASD)  
jurisdiction in accordance with Section 12 of the Code of Arbitration  
Procedure.

HEARING INFORMATION

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

Hearing Date/Sessions: July 16, 1992 (two sessions)

Hearing Location: Los Angeles, California

#### CASE SUMMARY

Claimant alleged fraud, misrepresentations, breach of fiduciary duty, unsuitable securities transactions and lack of supervision with respect to Claimant's investments in Advantage Life Products, Inc., American Health Services Corp. and Grease Monkey Holding Corp.

Respondent Cruttenden & Company, Inc. denied Claimant's allegations and denied any liability for Claimant's alleged losses. Respondent Cruttenden & Company, Inc. alleged that Claimant authorized all trades, and the trading was not excessive in light of Claimant's stated investment objectives and financial resources.

#### RELIEF REQUESTED

Claimant requested:

1. Compensatory damages in the amount of approximately \$16,000;
2. Interest on said damages at the statutory rate from the date of loss to the present;
3. Punitive damages in such amount as the panel may determine;
4. Claimants' cost of suit and attorney fees; and
5. Such other and further relief as this panel of arbitrators may deem just and proper.

#### OTHER ISSUES CONSIDERED & DECIDED

At the hearing, the panel heard arguments from the parties' counsel and representatives regarding Claimant's Motion To Bar Respondent Frederick Lacy from presenting any matter, arguments, or defenses, and denied Claimant's Motion.

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. All claims by Claimant are dismissed.
2. 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 NASD shall retain the \$400 hearing session deposit previously made by the Claimant. No additional forum fees are assessed.

ARBITRATION PANEL

Public/Industry  
Public Arbitrator  
Public Arbitrator  
Industry Arbitrator

Concurring Arbitrators' Signature

Sandra L. Malek  
Sandra L. Malek, Esq.

DATE SERVED: 09/18/92

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Date of Decision: 9-4-92