

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant(s)

C. William Dover and Patricia Dover
as Joint Tenants

Case No. 91-03638

Name of Respondent(s)

Corporate Securities Group, Inc.
and the Estate of Lewis Leeds

REPRESENTATION

For Claimants, C. William Dover and Patricia Dover ("the Dovers"): Michael Paule of Investors Arbitration Services, Inc.

For Respondent, Corporate Securities Group, Inc. ("CSG"): Greg Tendrich, Esq. of CSG.

For the Estate of Lewis Leeds ("Leeds"): Sandor Genet, Esq. of Genet, Milner & Griscuolo.

CASE INFORMATION

Statement of Claim filed on: November 19, 1991. Claimants' Submission Agreement signed on: October 24, 1991.

Respondent, CSG's Statement of Answer filed on: January 27, 1992. Respondent, CSG's, Submission Agreement signed: January 15, 1992 by Charles Scarlett, on behalf of CSG.

The Estate of Lewis Leeds did not file a Statement of Answer or sign a Submission Agreement. ("see Other Issues")

HEARING INFORMATION

On April 7, 1993, in Fort Lauderdale, Florida, a pre-hearing conference lasting one session was conducted via telephone conference call with an arbitrator.

On April 26, 1993, in Fort Lauderdale, Florida, a hearing lasting two sessions was conducted.

CASE SUMMARY

Claimants alleged that Respondents were liable for: violation of the National Association of Securities Dealers Rules of Fair Practice and Rules and Procedure for the Automated Confirmation Transaction Service; failure to execute the clients' authorized transaction; unauthorized transaction; and, negligence. Claimants alleged that they gave Respondents an order to sell certain stock and Respondents erroneously purchased stock instead.

Respondent, CSG, denied all allegations of wrongdoing and alleged that: Claimants had purchased restricted preferred stock which was convertible into common stock and, since the stock's issuer had failed to file the necessary post effective amendments to its registration statement, the transfer agent would not convert the shares of restricted stock into common stock and, consequently, Claimants had not delivered clear title and the trade had to be bought back in.

CSG alleged affirmative defenses including: no private right of action for violation of NASD rules; Claimants failed to deliver clear title; the buyback trade did not require Claimants' authorization; and, any liability lies with the stock's issuer and not CSG.

RELIEF REQUESTED

Claimants requested damages of \$26,004.50, plus punitive damages, interest, costs, expenses, and professional and consultants fees.

Respondent, CSG, requested dismissal of the Claim.

OTHER ISSUES CONSIDERED & DECIDED

1. Pursuant to the Order of the Circuit Court of the 11th Circuit in and for Dade County, Florida, probate division dated December 8, 1992, the Estate of Lewis Leeds was dismissed, with prejudice from this arbitration.
2. 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

1. After considering the pleadings, the testimony, and the evidence presented at the hearing, the arbitrators have decided in full and final resolution of the issues submitted for determination as follows:
2. Respondent, CSG, is found liable and shall pay to the Claimant the amount of \$15,000 inclusive of interest.

3. Claimants' request for attorney's fees, costs, expenses, and punitive damages is denied.

OTHER COSTS

The parties shall each bear all other costs and expenses incurred by them in connection with this proceeding.

FORUM FEES

1. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the Panel has assessed forum fees in the amount of \$1,100 (one pre-hearing conference x \$300 plus two sessions x \$400 per session).
2. Claimants are hereby assessed \$550 for which the NASD shall retain the \$400 previously deposited in partial satisfaction thereof leaving a balance due of \$150 payable to the National Association of Securities Dealers, Inc.
3. Respondent, CSG, is hereby assessed \$550 payable to the National Association of Securities Dealers, Inc.
4. The NASD shall retain the non-refundable filing fee of \$100 paid by the Claimants.

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

Concurring Arbitrators' Signatures

/s/
Sterling F. Tremayne

Public

/s/
Stanley Bo Fineberg

Public

/s/
Alvin Dern

Industry

Date of Decision: June 8, 1993