

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Katherine G. Baker
The Katherine Baker Trust
The Triple B Corp. Defined Benefit
Pension Plan and Trust

and

92-00109

Name of Respondents

Bekhor Securities Corporation
First Affiliated Securities, Inc.
J. Pat Bohn

REPRESENTATION

The Claimants were represented by Jerry S. Harris, Esq. of Harbour Kenley Boyland Smith & Harris, Longview, Texas.

Respondents Bekhor Securities Corporation and First Affiliated Securities, Inc. were represented by Arnold J. Rothlisberger, Esq. of Rothlisberger & Schreiber, La Jolla, California. Respondent J. Pat Bohn was represented by Kathy D. Patrick, Esq. of Gibbs & Ratliff, Houston, Texas.

CASE INFORMATION

Claimants' Statement of Claim was filed with the National Association of Securities Dealers, Inc. ("NASD") on or about January 8, 1992.

Claimants' Uniform Submission Agreement was signed by Katherine G. Baker and James W. Baker, Jr., on January 8, 1992.

Respondents' Bekhor Securities Corporation and First Affiliated Securities, Inc. Statement of Answer was filed with the NASD on May 26, 1992.

Respondent J. Patrick Bohn's Statement of Answer was filed with the NASD on February 25, 1992.

HEARING INFORMATION

An arbitration hearing, to be held in Dallas, Texas, was scheduled for February 2 and 3, 1993. However, a settlement agreement between the parties precluded necessity for hearing sessions.

CASE SUMMARY

Claimants alleged that Respondents recommended unsuitable investments, engaged in unauthorized trading, generated excessive commissions, and fraudulently and negligently managed the Claimants' accounts.

Respondents denied all claims contained in the Statement of Claim.

RELIEF REQUESTED

Claimants requested at least \$1,117,900.00 in compensatory damages, \$2,000,000.00 in exemplary damages, interest on the amount of any award, attorneys' fees, costs and expenses of arbitration, and such other relief as the panel found proper.

Respondents requested that the Statement of Claim be dismissed, an award of attorneys' fees and costs associated with arbitration, and such other relief as the panel found proper.

OTHER ISSUES CONSIDERED & DECIDED

Respondents did not file executed Submission Agreements, but answered the Statement of Claim, and are required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure.

AWARD

Without making any conclusions of law or of fact, but after finding that all prerequisites to the entry of this Award having been satisfied, the undersigned arbitrators acknowledge that the parties have entered into a stipulation and agreement of settlement of this dispute, the terms of which require execution of this stipulated award by the arbitration panel.

Claimants are hereby awarded and shall have and recover of and from Respondents the sum of Three Hundred Fifty Thousand and No/100 (\$350,000.00) Dollars with interest thereon at the rate of 7.5% per annum from date of entry of this Award until that sum is paid in full. All costs associated with this Arbitration shall be borne by the Respondents.

Notwithstanding any term or provision herein to the contrary, and the execution hereof, this award shall not become final nor shall Claimants have the right to enforce the same against Respondents or seek collection of the amount of the Award until and unless default occurs under the terms of the Agreement and Stipulation entered into by and between Claimants and Respondents, a copy of which is attached hereto.

This award shall be deemed confidential with all parties hereto and their respective counsel being charged with the duty of confidentiality and non-disclosure.

In the event there is an occurrence of default under the terms of the Stipulation and Agreement and the same is not timely cured, Claimants may then have all writs and processes for the collection and enforcement of this Award as may be necessary to enforce this award.

FORUM FEES

Pursuant to Section 43(c) of the NASD Code of Arbitration Procedure, the NASD shall retain the \$250.00 non-refundable filing fee and return the \$1000.00 hearing session deposit to Claimants.

Concurring Arbitrators' Signatures:

Name

Date

P. Michael Armstrong
P. Michael Armstrong, Esq.
Chairperson, Public Arbitrator

2/2/93

Donald Wright
Public Arbitrator

Gary Utkov
Industry Arbitrator

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2-1-93