

PUBLIC

In the Matter of the Arbitration Between

Jung Sil Hong

First Montauk Securities Corp.
Jonghee Park

For Claimant Jung Sil Hong: Wai Hui

For Respondents Jonghee Park and First Montauk Securities Corp: Robert I. Rabinowitz, Esq.

Statement of Claim filed: April 9, 1992.

Claimant Jung Sil Hong's Submission Agreement signed on: February 28, 1992.

Joint Statement of Answer filed by Respondents Jonghee Park and First Montauk Securities Corp. on: June 3, 1992.

Respondent Jonghee Park's Submission Agreement signed on: May 29, 1992.

Respondent First Montauk Securities Corp.'s Submission Agreement signed on: May 29, 1992.

Hearing Dates/Sessions: February 25, 1993 / One Session
March 15, 1993 / Two Sessions

Hearing Location: NASD offices located in New York City, NY.

CASE SUMMARY

Claimant alleged that Respondents knew or should have known that she did not understand the risks of investing in over the counter stocks or the risks of concentrating all of her money in a single security at a time. Claimant further alleged that Respondents' conduct was fraudulent. Claimant further alleged Respondents were in control of her account and therefore, had a duty to treat her account prudently from the perspective of a woman of limited means and experience. Claimant further alleged she was guaranteed against loss and was guaranteed a return of ten percent.

Respondents maintained that the loss occasioned to Ms. Hong was not due to any fault on their part and that they were not responsible for any fraud on the part of the officials of Cascade International, Inc.

RELIEF REQUESTED

As amended Claimant requested damages of \$16,128.00 plus interest.

Respondents requested that an Award be entered in favor of Respondents and against the Claimant, dismissing the Claimant's claim in its entirety.

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. The Respondents be and hereby are liable jointly and severally and shall pay to the Claimant the sum of \$17,740.00 inclusive of interest.
2. The Claimant Jung Sil Hong shall assign the shares of Cascade International Inc. in her account with First Montauk Securities, Corp. to the Respondents Jonghee Park and First Montauk Securities Corp.
3. Each party shall bear their respective costs including attorneys' fees.

FORUM FEES

Pursuant to Section 43c of the Code of Arbitration Procedure, the following Forum Fees are assessed.

3 sessions x \$400.00 = \$1,200.00 less Claimant's hearing session
deposit \$400.00 = net \$800.00 due.

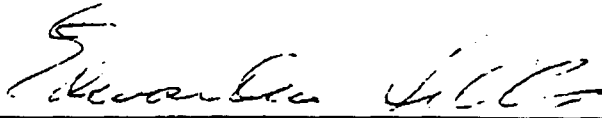
Forum Fees Assessed Against:

The Claimant be and hereby is liable and shall pay to the NASD the sum of \$200.00 to represent forum fees and the Respondents be and hereby are liable jointly and severally and shall pay to the NASD the sum of \$600.00 to represent forum fees.

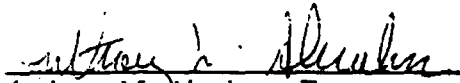
The NASD shall retain the \$100.00 claim filing fee previously deposited by the Claimant.

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

ARBITRATORS' SIGNATURES



Edward M. Sills, Esq.
Public Arbitrator



Anthony M. Abraham, Esq.
Public Arbitrator

ASHVIN R. PATEL
NOTARY PUBLIC, State of New York
No. 41-4798048
Qualified in Queens County
Certificate Filed in Kings County
Commission Expires September 30, 1994



Raymond L. Aronson
Industry Arbitrator

Date of Decision: April 1, 1993

STATE OF: New York

SS:

COUNTY OF: Westchester

On this 22 day of March, 1993, before me personally appeared Edward M. Sills, Esq. know and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

JOCCCI
Notary Public, State of New York
No. 5001014
Qualified in Nassau County
Commission Expires August 31

Carole Arbucci

STATE OF: New York

JOCCCI
Notary Public, State of New York
No. 5001014
Qualified in Nassau County
Commission Expires August 31

COUNTY OF: King

SS:

On this 15 day of March, 1993, before me personally appeared Anthony M. Abraham, Esq. known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

Ashtin R. Patel

ASHVIN R. PATEL
NOTARY PUBLIC, State of New York
No. 41-479045
Qualified in Queens County
Certificate Filed in Kings County
Commission Expires September 30, 1994

STATE OF:

SS:

COUNTY OF:

On this 29 day of March, 1993, before me personally appeared Raymond L. Aronson known and known to me to be the individual described in and who executed the foregoing instrument and be duly acknowledged to me that he executed the same.

William C. Mallery

WILLIAM C. MALLERY
NOTARY PUBLIC, State of New York
No. 4909319
Qualified in Westchester County
Commission Expires July 16, 1994