

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimant

Nick Fern

92-01331

Name of Respondent

Bear Stearns & Company
Edward T. O'Connor

REPRESENTATION

Claimant Nick Fern ("Claimant") was represented by Anthony J. Horn, Esq.,

Respondents Bear Stearns & Company ("Bear Stearns") and Edward T. O'Connor ("O'Connor") were represented by James M. Hubbert, Esq. of Bear Stearns & Company.

CASE INFORMATION

Statement of Claim filed: April 10, 1992.

Amended Statement of Claim filed: February 12, 1993.

Claimant's Submission Agreement signed on: April 7, 1992.

Statement of Answer filed by Respondent Bear Stearns on: July 2, 1992.

Amended Answer of Respondent filed on: February 19, 1993.

Statement of Answer filed by Respondent O'Connor on: July 1, 1992.

Respondent Bear Stearns's Submission Agreement signed on: July 1, 1992.

Respondent O'Connor's Submission Agreement signed on: May 6, 1992.

HEARING INFORMATION

Hearing Date/Sessions: April 30, 1992 - two sessions.

Hearing Location: NASD Offices, Philadelphia, PA.

CASE SUMMARY

Claimant alleged that Respondents violated the federal securities laws by engaging in churning, and by making investments that were unsuitable for Claimant. Claimant alleged that Respondents committed common law fraud by misrepresenting the risks of the stocks traded. Claimant alleged that Respondents breached their fiduciary duty to the Claimant, breached their duty of due care to the Claimant and breached their contract with the Claimant. Additionally, Claimant alleged that, in the case of Respondent Bear Stearns, it failed to properly supervise Respondent O'Connor and Claimant's account.

Respondents categorically denied all allegations asserted by Claimant and maintained that all claims are without merit. Respondents maintained that Claimant's account was properly handled and supervised at all times.

RELIEF REQUESTED

Claimant requested compensatory damages of \$8,217.00 (amount amended during hearing) plus interest, attorneys fees, costs and such other damages as the panel deems just and fair.

Respondents requested that all claims be dismissed.

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 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. That Claimant's claim is denied in its entirety.

2. That all parties shall bear their respective costs including attorney's fees except as specified herein.

FORUM FEES


Pursuant to Section 43(c) of the Code of Arbitration Procedure ("Code"), the following Forum Fees are assessed:

2 hearing sessions x \$400.00 = \$800.00

The \$800.00 in Forum Fees shall be split equally between the Claimant and the Respondents, jointly and severally, so that the Claimant is assessed Forum Fees in the amount of \$400.00. Claimant, however, is entitled to offset this fee with his hearing session deposit of \$400.00, so that no additional fees are due from Claimant. Respondents are assessed Forum Fees in the amount of \$400.00.

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

CONCURRING ARBITRATOR'S SIGNATURE


S. Jay Sklar, Esq.

Public Arbitrator

NASD Date of Decision: June 3, 1993

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FORUM FEES

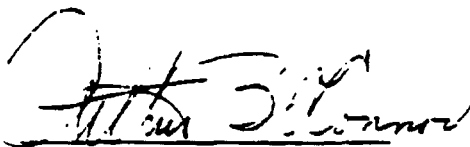
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CONCURRING ARBITRATOR'S SIGNATURE


Arthur B. O'Connor

Industry Arbitrator

NASD Date of Decision: June 3, 1993

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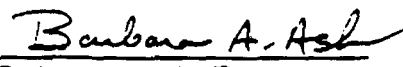
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CONCURRING ARBITRATOR'S SIGNATURE


Barbara A. Ash, Esq.

Public Arbitrator

NASD Date of Decision: June 3, 1993